

The NATIONAL UNDERWRITER



GENERAL REINSURANCE CORPORATION

90 JOHN STREET, NEW YORK • 200 BUSH STREET, SAN FRANCISCO

Items from Financial Statement of June 30, 1941:

CAPITAL	\$1,000,000.00
SURPLUS	6,000,000.00
VOLUNTARY RESERVE	310,851.33
LOSS RESERVE	6,975,456.19
PREMIUM RESERVE	2,472,354.59
ALL OTHER LIABILITIES	857,843.99

TOTAL ADMITTED ASSETS . . \$17,616,506.10

Securities carried at \$1,291,143.16 are deposited
in accordance with law.

Casualty, Fidelity and Surety



NORTH STAR REINSURANCE CORPORATION

90 JOHN STREET, NEW YORK • 200 BUSH STREET, SAN FRANCISCO

Items from Financial Statement of June 30, 1941:

CAPITAL	\$ 600,000.00
SURPLUS	1,528,508.86
LOSS RESERVE	502,762.33
PREMIUM RESERVE	2,969,067.41
ALL OTHER LIABILITIES	42,181.69

TOTAL ADMITTED ASSET . . \$5,642,520.29

Securities carried at \$422,781.80 are deposited
in accordance with law.

Fire and Allied Lines

ILLINOIS AGENTS CONVENTION

THURSDAY, NOVEMBER 13, 1941



IN 1891

■ In 1891 new lands in Oklahoma (formerly Indian Territory) were opened to homestead settlement. The photograph shows settlers awaiting the "Go" signal.

■ In 1891 tourists first experienced the thrill of travelling to the 14,108 foot elevation of Pike's Peak over 47,992 feet of cog railroad on a roadbed of solid rock over an average grade of 16%—844.8 feet to the mile. This mountain, pronounced unclimbable by its discoverer, Lieut. Z. M. Pike in 1806, was successfully climbed for the first time by an exploring party of Major S. H. Long in 1819.

■ In 1891 the Queen Insurance Company of America was incorporated in New York State. For fifty years it has been closely identified with the country's industrial development and has made notable contributions to the rebuilding of population centers devastated by conflagrations, windstorms and other disasters.



Photographs by Brown Bros.

QUEEN INSURANCE COMPANY OF AMERICA
150 WILLIAM STREET, NEW YORK

California Agents Stress Education in Annual Rally

**Hendren New President;
Producers' Big Topic Is
Doing Own Job Better**

By A. V. BOWYER

SACRAMENTO—Better public relations and improvement in sales work were the principal concerns of the California Association of Insurance Agents at its annual convention here. The group has developed some very fine activities along educational lines, and these will be expanded and continued during the coming year.

H. H. Hendren of the Valley agency, Sacramento, was elected president at the closing session, succeeding Harry Perk, Jr., Los Angeles. C. W. Carpenter of Petaluma was advanced from secretary-treasurer to vice-president, which puts him in line for succession to the presidency. Mr. Carpenter served as secretary-treasurer also in 1939. He was chairman of the committee handling the program of the business sessions of the convention, and in that work stressed his idea of fewer speeches and more round table discussions.

Ralph E. Bach, San Diego, a director the past year, was elected secretary-treasurer. Mr. Perk was named national councillor. The officers of the association were elected to the same posts in the Insurance Institute of California, the association's educational subsidiary. More than 750 registered for the meeting.

Resolutions expressed agents' appreciation to special agents for assistance in the educational program and to companies for their adherence to the "Guiding Principles" program.

Hendren Experienced Worker

Mr. Hendren, vice-president during the past year, previously served as a director and was prominent in committee work of the association. He has served as president of the Sacramento Insurance Exchange two years and at present is its secretary-treasurer. During the past year he has been particularly active in the regional meetings of the California association, presenting his plan for overcoming the encroachment of automobile finance companies in the field of writing auto coverage.

The convention was characterized by the lively participation of agents in the discussions of various topics, many of which were brought up in the adminis-

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C. W. Carpenter

Multiple Location Quiz in California

**Department Demands
Data on Practices
in Interstate Risks**

SAN FRANCISCO—The California insurance department has sent a lengthy and searching questionnaire to fire companies in the state on interstate reporting form underwriting practices. The department apparently is looking for violations such as rate discrimination, breach of resident agency laws, payment of commission to unlicensed persons, improper premium allocation for tax purposes and issuance of fictitious policies.

One question deals with issuance of underlying policies and whether they are issued in California or any other state, what factor determines their issuance, whether they are countersigned by resident agents in all states which require countersignature, whether commissions are paid to resident agents and what factor determines countersignature and payment of commissions.

Rate of Commission

Another question deals with payment of full statutory rate of commission to resident agents in states where commission rates are prescribed and whether such commissions are also paid to non-resident agents and brokers. If not, the reason for non-payment must be given. Another question asks whether the company makes any effort to determine whether the laws of states in which insured property is located permit the licensing of non-residents and whether non-residents to whom commissions are paid are licensed.

The form asks: "Where underlying policies are issued, do they conform in every instance and in all respects to the standard form prescribed by the laws of the states in which the properties covered are located?" and whether or not underlying policies with respect to policies in California conform in "every instance" to the standard policy provisions of the California statutes and if not, the reason for such variance.

Who Possesses Policies?

Another question seeks to determine if underlying policies are delivered to the assured and, if not, who has physical possession of such policies and why they are not delivered to the assured.

Separate, detailed information is required as to how rates are calculated and on what theory is the method for determining such rates based.

Experience Rating

Another question deals with whether or not the company, independently or through any organization, makes any effort to develop an experience rating plan, prospective or retrospective, that gives recognition to the loss experience on this type of business.

Companies must report whether the rates specified in master policies and the premiums actually charged are less than those established under applicable state minimum rating laws.

Another question asks whether the aggregate values shown in the underlying

Nebraska Agents in Mid-Year Rally

**Insurance Director Tells of
Drive to Eliminate One-
Case Licensees**

GRAND ISLAND, NEB.—Addressing the mid-year session here of the Nebraska Association of Insurance Agents, Insurance Director Fraizer expressed appreciation for the cooperation which the agents had given him in his drive to rid the business of men who used licenses to sell insurance for the sole purpose of profiting personally by saving commissions on their own coverage. This in turn, he said, led many of the companies to go over their books and eliminate from the list of agents for whom they asked licenses those men whose writings were confined to their own holdings or those of relatives or employers.

This drive will be continued until all of the licensed companies have provided the same cooperation, Mr. Fraizer promised. Something like 1,500 licenses have so far been cancelled through failure of the companies to ask renewals. Field men are given credit for aiding in producing this result. Most of these voluntarily struck from their lists men whom they knew were not eligible, while others were warned that the continuance of past practices would be inimical to the standing of their companies before the department.

Would Educate Farm Youth

J. E. Cryan, Chicago, assistant manager of the hail and farm departments of America Fore, advised the Nebraska agents to educate farm youth to the value of insurance, and said it would pay dividends whether they remain on the farm or enter business in the towns and cities. Farmers are forging forward financially, he said, and farm business is now on the increase again.

Earl L. Ritner, North Platte, president of the state association, presided. Joseph Barker, Jr., reported on the National Association meeting, showing pictures of the gathering.

policies agree with those in master policies.

If the aggregate premiums and aggregate values in the underlying policies agree with the premiums and values in the master policies, the companies must answer this question: "Do you accomplish this by showing fictitious amounts of insurance and/or premium rates in the underlying policies, and, if so, what purpose do you believe to be accomplished by showing such fictitious figures?"

Standard Policy Laws

Other questions asked by the department are:

"To the standard policy form laws of what state does your master policy conform? If a state other than that in which issued, state the reason and explain in full.

"Does the company consider itself bound by (a) the individual underlying policies? (b) the master policies alone?

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Major Changes Advocated by N. Y. Department

**Proposals in Report on
Rating Body Have
Nationwide Significance**

NEW YORK—Although a large number of criticisms and recommendations are made in the report of the examination of the New York Fire Insurance Rating Organization on the part of the New York insurance department that has now been released, the tone of the report is not harsh and the examiners express the hope that the rating organization will consider the criticisms and recommendations in a cooperative spirit. Every effort should be made to dispose of criticisms and recommendations in a reasonable manner as promptly as possible, the report states. The examination which was conducted over a long period produces a report of 177 typewritten pages.

There is included a summary of the recommendations and criticisms covering 47 points. A good many of these pertain to specific risks, but many of the recommendations are for liberalization of practices and for other changes, which if adopted in New York, would command national attention and would probably sooner or later be introduced elsewhere. Superficial study of the report indicates that the most significant recommendations are those calling for a greater number of classifications in reporting experience, including a segregation of U. & O. results; favoring a rigid formula for handling Factory Association risks; advocating standardization of riders, forms, etc.; requesting that the rating organization reconsider the expense of the latest available five years with the idea of making substantial downward rate adjustments. It seems to call for a general overhauling of practices and changes of a fundamental nature.

Keeping of Statistics

A number of recommendations are made as to the keeping of statistics. Special interest is taken in the recommendation of the department that there be a separate reporting of such side-line coverages other than direct fire and lightning as rent, leasehold, U. & O., commission and profit risks.

The department also remarks that no separate experience classifications are provided for minimum rated risks which probably in volume of policies constitute the largest class of business. Classification reports, according to the department, appear to be inadequate in other respects and there is need for a comprehensive study and revamping of the statistical requirements to produce returns of maximum value. Such a project, the report suggests, should be placed in the hands of a special com-

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Priorities Causing Bridge U. & O. Shifts

Eighteen and 24 Months Now Superseding Usual 12-Month Cover

NEW YORK—Because of the priorities situation many important bridges are being insured for 18 and even 24 months for U. & O. instead of the 12-month period which was customary until comparatively recently. While many bridges are in such strategic military locations that they could count on high priority ratings in case materials should be needed for repairs or rebuilding, the disposition of those handling the insurance even on these structures is not to count too heavily on special consideration from the Office of Production Management but to hedge with ample amounts of U. & O.

The all-risk damage and U. & O. policies which became mandatory on all business written after Feb. 1, 1941, have proved extremely popular with assured and companies alike. Many insured cancelled their existing policies, which could be done on the prorata basis, in order to get the new type coverage as quickly as possible. Among the bridges and tunnels now covered by the new and broader form of insurance are the George Washington bridge, Goethals bridge, Outerbridge crossing, and Bayonne bridge, and the Holland and Lincoln tunnels, all of which are controlled by the Port of New York Authority, and the San Francisco-Oakland Bay bridge.

As a result of the experience on the Tacoma Narrows bridge some companies have reduced their lines on bridges, particularly on the suspension type where the "amount subject" on each risk must be regarded as 100 percent. However, many other companies are continuing to accept the same limits as before. London Lloyds has cut its lines on bridge insurance slightly but this is understood to be due to its heavy commitments in other parts of the world rather than to the Tacoma bridge's example or any other new concept of bridge hazards.

Claim Sprinklers Shut in Building of Firestone Plant

The Providence, R. I., "Journal" reported that in a pamphlet mailed to members, the Factory Insurance Association of Hartford states that a watchman at the Fall River plant of the Firestone Company shut the water off from the sprinkler system of building No. 5 shortly after the blaze, which eventually resulted in a loss of \$15,000,000. The watchman allegedly feared greater damage from water than from fire. The statement as quoted by the "Journal" appeared on the last page of the pamphlet which included nine pages of pictures of the fire and according to Herbert Adams, chief adjuster and assistant manager of the F. I. A., the facts presented are based on statistics gathered for the association's technical report to be issued later.

Hear Report on Convention

BUFFALO—A report on the recent convention of the National Association of Insurance Agents was made by G. E. Spitzmiller at the November meeting of the Buffalo Association of Fire Underwriters.

The committee handling the recent 100th anniversary celebration made a very favorable report. The meeting was adjourned in respect to the memory of S. B. Nye of the Nye Agency, who died recently.

Fire and Casualty Officials in Texas Form Organization

The Association of Texas Fire & Casualty Executives was formed at a meeting in Galveston last week. A. F. Pillet, president Republic of Dallas, was chosen president. C. S. Kuhn, vice-president American Indemnity of Galveston, was elected vice-president. T. R. Mans-



A. F. PILLET

field, vice-president Gulf of Dallas, was chosen secretary and treasurer. Officials of almost all Texas stock fire and casualty companies were present and thus became charter members.

The spokesman of the association said that its purpose is to uphold correct principles in the conduct of insurance, to cooperate with state and local officials and the public generally in the prevention of fire, automobile and casualty losses.

K. C. Agents Adopt "V-Plan"

The Insurance Agents Association of Kansas City is one of the first agents groups in the country to take up the "V-Plan" adopted at the Kansas City convention of the National Association of Insurance Agents. The executive committee of the Kansas City group adopted a resolution endorsing the plan, and another urging members and the entire insurance business to adopt the payroll allotment plan for supporting the government's financing program in the national emergency.

Schryver's Service for Agents Evokes Much Interest

NEW YORK—Much interest is evinced in the newly organized office here at 76 William street known as the Agents & Brokers Exchange because its exclusive function is to handle the placing of lines for agents and brokers throughout the country that the producers are not able to place in a routine way and that would otherwise entail a trip to New York or other underwriting centers. Although service of this kind has been available through various brokerage houses, the Agents & Brokers Exchange does not intend to engage in direct business on its own account and will operate exclusively as representative of its clients. The head of the organization is Spencer M. Schryver who has had many years experience with various brokerage organizations. Some years ago he was head of what was known as "The Agent for Agents" department of W. B. Joyce & Co. of New York and the function of which was very similar to that of the Agents & Brokers Exchange.

Scope of the Service

Mr. Schryver's organization will undertake to handle fire, marine, casualty and surety lines. It is not soliciting substandard business or unusual covers for which there is a restricted market, but rather surplus lines that exceed the capacity of the agents' office companies. Mr. Schryver has an extensive knowledge of the market and he will undertake to make the most advantageous use of his connections for those he represents. He asserts that the arrangements that he would effect would give a greater net return to the agent in most cases than if the agent should devote the time and expense of visiting New York and personally attempting to supply his needs.

The Agents & Brokers Exchange is also handling facultative reinsurance requirements of fire and casualty companies and will make a special effort to give prompt service in making these arrangements.

Plan Women's National Meeting

ST. PAUL—Makeup of the committees that will handle local arrangements for the annual meeting of the National Association of Insurance Women will be announced at the annual meeting of the St. Paul association Nov. 13. Mrs. Fern Harrington is general chairman.

This also will be the annual meeting of the St. Paul group. H. L. Henry of the T. C. Field Co. will speak on "Comprehensive Liability."

Federal Observer to Sit in on Mo. Rate Case Hearing

JEFFERSON CITY, MO.—On invitation of Attorney-General McKittrick of Missouri, the anti-trust division of the U. S. department of justice will have a representative on hand when hearings resume in Chicago Nov. 24 in connection with McKittrick's ouster proceedings against fire companies for alleged violation of Missouri's anti-trust laws.

Thurman Arnold, assistant U. S. attorney-general, recently advised McKittrick that he had instructed Daniel B. Britt, in charge of the federal anti-trust office in Chicago, to name an attorney to sit in on the insurance rate case hearings and to cooperate in every way possible.

In inviting the justice department to participate in the future hearings, McKittrick wrote Arnold: "The facts we have now discovered are convincing that there is a trust existing among the stock fire insurance companies which operate throughout the United States."

"When you decide to go into the matter there is not a better state in the Union in which to try such a case, in view of the bribery and other political matters in which the companies have been involved."

One of Arnold's interests, it is said, is to find a case on which he could base a test of the interstate character of the insurance business.

Patrol Service Kept Up in Some Fifteen Cities Throughout the Country

NEW YORK—Should the municipal authorities of New Orleans accept the offer of the National Board to turn over to the city without charge of any kind the patrol equipment long maintained there, it will leave 15 centers throughout the country in which the patrol service is still operated at the expense of the companies. Fire chiefs are practically unanimous in holding that the patrol service should be incorporated as part of the fire department of the municipality, instead of its cost being borne by insurance interests.

Through the years in which patrols have been maintained in many centers, their value in protecting property has been sufficiently demonstrated.

Ia. Storm Loss Sets Record

DES MOINES—The last 12 months was described as the worst in Iowa history for tornado, cyclone and wind-storm losses by H. F. Gross, secretary Iowa Mutual Tornado, at the company's annual agency meeting in conjunction with the annual convention of the Iowa Association of Mutual Insurance Associations.

He said the company had paid 13,500 claims the past 12 months, aggregating \$950,825, or \$200,000 more than in any similar period.

Western Bureau Has No Contingent Plan

It was stated at the hearing in Michigan regarding dwelling rates that the Western Insurance Bureau rate in Detroit paralleled that of the Western Underwriters Association companies, but a 30 percent commission was paid out in the state, with contingent provisions. H. A. Clark, president of the Western Insurance Bureau, says that the statement in regard to contingent provisions is entirely wrong because the Western Insurance Bureau does not have nor never has had any rule permitting the payment of contingent commissions in Michigan or elsewhere.

THIS WEEK IN INSURANCE

H. H. Hendren is elected president at the annual convention of the California Association of Insurance Agents. **Page 1**

Report of examination of New York Fire Insurance Rating Organization by the New York department recommends a great many changes, which if put into effect, would create a precedent for introduction elsewhere. **Page 1**

Nebraska Association of Insurance Agents holds mid-year meeting at Grand Island. **Page 1**

California department sends a searching questionnaire to fire companies covering their underwriting practices on interstate multiple location policies. **Page 1**

Attendance at the annual meeting of the Connecticut Association of Insurance Agents was the largest in its history. **Page 3**

Rate increase seen as only solution to the automobile loss situation faced by fire companies. **Page 3**

Association of Texas Fire & Casualty Executives is formed with A. F. Pillet of the Republic as president. **Page 2**

Much interest is taken by the insurance fraternity in the Agents & Brokers Exchange, organized by Spencer M. Schryver of New York City. **Page 2**

Federal observer to sit in at Missouri fire rate case hearing to resume at Chicago Nov. 24. **Page 2**

James J. Hoey, internal revenue collector in New York City, well known in insurance circles, is dead. **Page 3**

A. M. Best Company analyzes expense ratios in stock fire and casualty field. **Page 13**

Priorities bringing longer U. & O. periods for bridge covers. **Page 2**

McCullough Winters elected president of Illinois Association of Insurance Agents at annual meeting in Peoria. **Page 19**

Executive committee of National Association of Insurance Commissioners authorizes special committee to deal with problem of interstate rate cutting on fire, casualty and allied lines. **Page 25**

Industrial Hygiene Foundation holds annual meeting in Pittsburgh. **Page 25**

Requirements of financial responsibility law can't be evaded by bankruptcy, United States Supreme Court holds. **Page 25**

Finance companies seek changes in New York financial responsibility act to protect their interests. **Page 27**

Auto Losses May Cost Fire Carriers Their 1941 Profits

Rate Increase Seen as Only Solution to Present Serious Situation

The automobile situation is of the greatest concern to fire companies, and the problems presented by soaring collision losses overshadow anything that has come up in some years. For those carriers in which automobile premiums represent a large percentage of total volume, automobile losses may run up the ratio for all operations as much as 4 or 5 percent and wipe out any possibility of showing a net profit this year. It is apparent that automobile losses will have an uncomfortable effect on the annual statements of many companies.

Only rate increases will solve the problem; that is the general opinion. Company men feel they have done as much as they can on the present rate basis to meet their difficulties. They are carefully underwriting, but under existing conditions underwriting is only a help, not a solution.

Lower Finance Commissions

Some companies have in the past come in for criticism of the excessive commissions paid for finance business, but more and more of this volume now is being written at regular commissions or less. The market is tightening up and one of the developments of recent months is the lower commissions at which finance business is being taken. The top commission on this class has been averaging around 30 percent, but the market has tightened and some fairly good accounts are having to shop around at 25 and 20 percent or less.

Fire companies have in recent years gone out after automobile business aggressively, but there are so many things out of gear at the present time that fire men wonder if they should not cut down sharply the percentage of car business to total volume and keep it there. A good many remedies are being considered by automobile men, and the pressure is growing for some serious revisions of rates and methods of writing. Present experience proves conclusively the inadequacy of existing rates and any basic remedy obviously must be an upward revision in premium schedules, they say.

The possibility that the fire companies may have extended themselves too far in the automobile field is suggested by one fire company official. "We are fire companies primarily," he said, "and if we get too many of our eggs in one basket of a specialty line like automobile on the present rate basis, our companies eventually are going to suffer."

Big Part of Total Operations

It is estimated that the average proportion of automobile business to total business for stock companies country-wide is 28 to 29 percent, with some companies going up as high as 50 percent. Under 25 percent the fire companies can to some extent offset the effects of a situation of the current sort, as far as country-wide operations are concerned, but apparently can do less and less about it as the percentage increases.

Underwriting isn't the whole solution. At any time collision losses may rise to blast a good loss experience to pieces. The automobile man can underwrite the driver of one vehicle, but not

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Death of Hoey Removes Insurance and Political Leader

NEW YORK—James J. Hoey, internal revenue collector for the second district, and president of Hoey, Ellison & Frost, Inc., one of the leading New York insurance agencies, died in the Union Memorial Hospital, Baltimore, early Monday morning, following a cerebral hemorrhage suffered the previous day. He had gone to Baltimore Friday to attend the Notre Dame-Navy football game, apparently was in fair



JAMES J. HOEY

health, though he never fully recovered from a severe illness of a year ago. News of his death spread throughout the insurance district almost instantaneously Monday when the federal building flag was placed at half staff.

Funeral services are being held from his late home, 135 Central Park, West, Thursday, after which a requiem mass will be conducted at the Church of St. Paul the Apostle. Surviving are a sister, Mrs. Katharine A. Boillin of Clarksville, Tenn., and a brother, Rev. P. E. Hoey, C. S. P., of Lubbock, Tex. Another sister, Miss Jane M. Hoey, a member of the state corrections commission and an assistant director of the New York Welfare Council, died two months ago.

Outstanding Figure

Mr. Hoey had been an outstanding figure in political and insurance circles for many years. His insurance career began as a broker in 1898, just as he attained his 21st birthday. After serving five successive terms as a member of the state assembly, during which period he was chairman of its insurance committee, he was named deputy superintendent of insurance and given charge of the New York City office in 1912. He resigned three years later to become executive special agent for Continental, Fidelity-Phenix and American Eagle. Under his supervision the metropolitan business of the three companies increased to such degree that he was elected second vice-president of the institutions, subsequently being further advanced to first vice-president. Ambitious to develop a business of his own, he resigned as a company official in 1921 to form an agency partnership with Bennett Ellison, an association that continued until the death of the latter in 1937, when the agency was incorporated under its present title, Mr. Hoey becoming president, with H. E. Frost and W. J. Witschen as vice-presidents. Writing marine, life, casualty and surety as well as fire lines, the annual premium income of the agency is in excess of \$2,000,000.

Mr. Hoey was active in the affairs of the New York Board of Fire

Brokers May Fall Under U. S. Rule

Brokers are at sea and much concerned over the question whether they fall under the recent interpretation by the Treasury Department that persons holding premiums collected for foreign insurers in amount of \$1,000 or more must file on a special form with the department on penalty for willful disobedience of \$10,000 fine, or 10 years in jail, or both.

According to a bulletin sent out to members by W. W. Ellis, executive secretary National Association of Insurance Brokers, New York, the ruling is believed to apply only to premiums actually collected and held in the office on June 1, 1940, and June 14, 1941, and only on direct business and not agency business.

However, there is much confusion between officials in Washington over the question. The broker members are either completing the form No. FFR-300, or are asking for postponement.

May Extend to Nov. 29

The filing date set was Oct. 30, but since the brokers were not informed in advance, they could not comply and the period for filing may be extended to Nov. 29.

The interpretation is based on a Treasury Department ruling requiring every person in the country holding or having title to, custody, control or possession of property of any foreign country and national in amount of \$1,000 or more to make reports.

The brokers' association recently inquired in Washington if the rule applied to brokers and at first received the opinion that it did not so apply. Then the filing dates were postponed twice, and finally the department stated it wanted to get a complete survey and all brokers who came under the ruling must report. The reports, it was stated, must be individual and not collective as through an organization. Interpretation is said to apply to premiums and property in this country of 102 fire and marine companies and 17 casualty companies licensed in the United States.

Underwriters, being chairman of its board of directors and chairman of the committee on laws and legislation, at the time of his death. By virtue of his wide acquaintance with legislators, Mr. Hoey was able to secure enactment of many measures of benefit to the insuring public, and by the same token encompass the defeat of not a few inimical bills. He was relied upon heavily by the insurance interests in political legislative relationships.

Always a staunch Democrat, he numbered among his intimates Governor Al Smith, whose campaign for the presidency in 1928 he directed; J. A. Beha, former superintendent of insurance and later general counsel of the Association of Casualty & Insurance Executives, and a host of other prominent figures in the political arena of the country. Though a vigorous political campaigner and at one time a strong figure in Tammany Hall councils, Mr. Hoey never suffered from political attacks. He was ruggedly honest and he had no patience with sharp practice.

He was a life member of the Insurance Society of New York and keenly interested in its educational programs.

His appointment as collector of internal revenue by President Roosevelt in 1933 elicited warm approval by business men of the district regardless of their political affiliations.

It was the late Henry Evans who induced Mr. Hoey to leave the insurance department for the service of the Continental group, and the two remained warm friends even after the business relationship was severed. Outside business and political affairs Mr. Hoey's interest centered in the work of the Boys Club Foundation, of which he was a national director.

Large Attendance at Connecticut Agents Convention

Speakers Gave Practical Talks That Were Informative

By GEORGE E. WOHLGEMUTH

Attendance at the annual meeting of the Connecticut Association of Insurance Agents, well over 200, was the largest in the history of the organization. It was undoubtedly stimulated by the well balanced program prepared by the program committee headed by David A. North, New Haven, vice-president of the state association and the National Association of Insurance Agents. The appearance of Jerome van Wiseman, director of public relations National association, to explain the "V-Plan for Insurance" also was an important factor.

Four resolutions were adopted. The first was a statement that the association is in sympathy with the plan of the Treasury department in promoting the sale of defense bonds and stamps and urged the adoption of payroll allotment plans in member agencies for the purpose of encouraging defense savings purchases. The second gave approval to the National association's proposed "V-Plan," recommending that the national body translate it into a practical reality. The third stated that there is a continuing need for self-improvement in the business and commended the progressiveness of the National association in establishing an educational plan. Schools will be established at various cities in the state in conformity with that plan. The last resolution stated that here is a need and demand for the personal property floater and the association will petition the insurance commissioner to legalize its adoption in Connecticut.

Gain in Membership

A gain of 79 members for the year, raising the membership to 439, a record total, was reported by W. H. Wiley, Hartford, chairman of membership committee, who was elected secretary-treasurer.

A large part of the talk of Commissioner Blackall was devoted to a discussion of the assigned risk plan for automobile insurance which was adopted in Connecticut a little over a year ago. He said the plan is working out very well and that out of 400 applications by prospective assured who could not get coverage through the regular channels, less than 100 could not be taken care of by the plan. He expressed the opinion that the assigned risk plan will become "a recognized adjunct" of the business in every state. Only one problem still remains to be worked out, he said, and that is the terminus of the time that the assured pays the additional premium under the plan.

Habit of Accident Important

Mr. Blackall said he regards the habit of accident more seriously than isolated instances. For example, the fact that an insurance company paid a large claim on a policy which had hitherto never had a claim is no indication that the policyholder would not be a good risk. The frequency of accident or the habit of accident would determine whether the assured is a good risk.

Mr. Blackall said that a number of problems are coming up that will have to be solved. Is an assured entitled to payment for loss of use of his car when it is tied up for 60 days instead of 10 days be-

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Young Elected at Reunion of Fire Fraternity

Robert O. Young, manager of the North America service office at Cleveland, was elected president of Alpha Chi Epsilon, fire insurance fraternity, at the biennial reunion in Chicago last Saturday. He succeeds Robert Dilly, Hartford Fire, Chicago. Brice Draper of the western department of Hartford Fire was elected secretary-treasurer. Over 60, one of the largest crowds ever to attend the reunion, were at the dinner and most of them also saw the Northwestern-Indiana football game in the afternoon.

The new governing board consists of G. H. Golterman, Grand Rapids, Mich., H. N. Schenk, Ottumwa, Ia., W. W. Rouse, St. Louis, J. E. Bright, Des Moines, Alex. Graham, Indianapolis, D. G. Griffith, Girard, O., and Messrs. Young and Draper, representing Alpha chapter (Northwestern University graduates). Beta chapter, composed of Columbia University men, is represented on the governing board by J. G. Hughes, Springfield, Ill., W. P. Jones, Columbus, O., Vincent Davies, Syracuse, N. Y., and W. T. Shirley, Chicago.

Tribute to Townley

R. T. Nelson, Springfield, chief deputy Illinois insurance department, and one of the organizers of the fire insurance course at Northwestern University, was toastmaster. The group stood in tribute to W. R. Townley, late treasurer Underwriters Salvage, one of the instructors in the course and an honorary member of the fraternity, who had died a few days before. Tribute was also paid to the late J. V. Parker, manager Western Actuarial Bureau, whom Mr. Nelson called the "grandfather of organized insurance education of the United States," and F. H. Keller, Jr., Richford, Vt., a member of the first Columbia class, who was killed during the year.

Mr. Young brought greetings from C. R. Tuttle, retired western manager of the North America, who was among the strongest backers of the course. Mr. Tuttle has always kept close to the group, but was unable to attend the meeting this year.

Hope for Resumption

Alpha Chi Epsilon is composed of former students in the fire insurance courses sponsored by the companies at Northwestern and Columbia universities for a number of years prior to 1933. The students were provided with scholarships and worked part time and during the summer for the companies. An overwhelming majority of the group has stayed in the insurance business and many of them have climbed the ladder of promotion rapidly with their companies, while others have been successful in local agencies.

Courses were discontinued in 1933 because of the depression. The members are keenly interested in a resumption of this activity, as well as reestablishing an active chapter, and much of the discussion centered around these subjects. Mr. Young reported that one proposal for an active chapter did not appear favorable but that the officers would continue to explore the field. It was pointed out by some speakers that many of the members are getting to the point where they command real influence with their companies and can eventually use this influence toward a restoration of sponsored courses.

Among the guests were Charles Holmes, Western Actuarial Bureau, who was one of the instructors at Northwestern; Walter M. Krieger, New York, division underwriter Home of New York, who did much work in organizing the course at Northwestern and selecting the first groups of students; R. G. Osgood, Chicago manager North America, and J. C. O'Connor, editor of Fire, Casualty & Surety Bulletins of THE NATIONAL UNDERWRITER.

Carter Describes Farm Opportunities at Ill. Meeting

Farm insurance commissions can be harvested in greater amounts if the agents will push the scholarship program announced recently by the Farm Underwriters Association as well as fire prevention work in general, Rush W. Carter, assistant manager Aetna Fire, Chicago, and superintendent of the farm department, told the Illinois Association of Insurance Agents annual meeting in Peoria.

"To grow a good crop of commissions," he said, "it is first necessary that you have the tools with which to work, and understand how to use them effectively. Your business will grow more satisfactorily if you pave the way for your solicitation by engaging in rural public relations work, such as this scholarship program and fire prevention work, etc."

"In selling, remember that you are doubly injured each time you deliver a poorly written policy and twice blessed by one that provides good protection. Cultivate the accounts already on your books and they will flourish beyond your fondest hopes. Obligate yourself to service your farm business by developing the practice of rewriting whenever you can give your clients better protection by so doing."

"Such a program, carefully pursued, will make two commission dollars grow where one dollar, or possibly none, was growing before."

Mr. Carter commented on the statement of Paul T. Cherington, market expert, in the October "Nation's Business" in an article on "How Capitalism Can Get Its Second Wind." Mr. Cherington saw the buying power of the white collar class seriously curtailed in the days ahead but believed farmers and the laboring classes will not be so affected, but in fact their buying power when judged by all present standards will increase.

This means for insurance agents, Mr. Carter commented, that the people from whom most agents get the greater part of their business are going to be the hardest hit and will buy less insurance. He advised agents to turn to the richest agricultural district in the world, the great Mississippi Valley region, to fill the gap in commissions that will result. Information secured largely from the census figures of last year indicate if fire and wind insurance were written on 75 percent of the insurable farm values in Illinois, about \$9,000,000 annual premium income would be produced with commission income of about \$2,000,000 to agents. This class could, if fully developed, constitute one-fourth of the fire insurance done in the state.

Interest in National Union "Ads"

Insurance company executives as well as agents throughout the country are showing a great deal of interest in the attractive new trade journal campaign of National Union and Birmingham Fire of Pittsburgh.

The first of this series of advertisements entitled "Highlights in Insurance History" appeared in October. Each advertisement will feature an original drawing by George R. Depew of a famous incident in insurance history, with descriptive copy that is interesting and instructive.

Plant Fire Fighting School

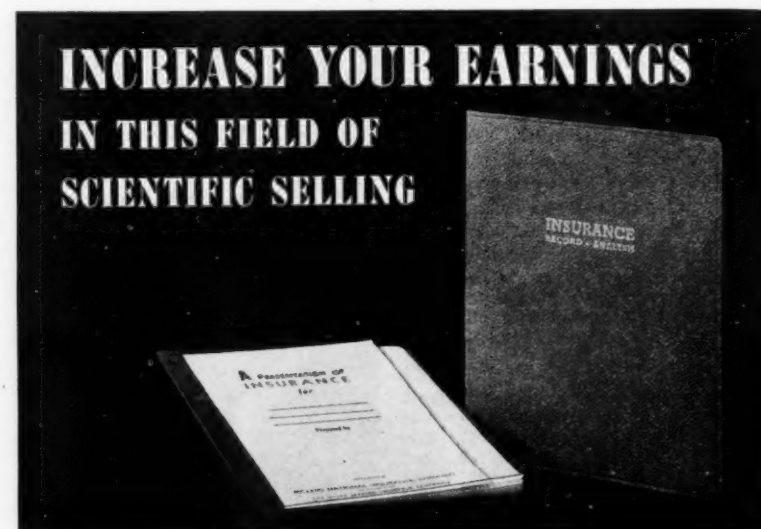
MILWAUKEE—Plant fire fighting, external plant protection and incendiary fires and sabotage were subjects discussed by speakers at the opening session of the annual fire prevention school under auspices of the Milwaukee association of commerce. More than 2,000 supervisory employees of local industries attended to hear civilian fire defense discussed by Fire Chief Steinkellner, Police Chief Kluchsky and

Harry O'Connor, F.B.I. special agent. The Milwaukee Board is cooperating in the drive. T. Alfred Fleming, National Board, Battalion Chief Deasy of New York, who studied English methods, will appear on subsequent programs.

May Quit Insuring Crops Under Loan

WASHINGTON—Chairman Fulmer of the house agriculture committee has introduced a bill to discontinue the insuring of commodities in which the fed-

eral government has an interest as lender. Fulmer said that according to the Commodity Credit Corporation, insurance premiums from August, 1934, through July, 1940, amounted to \$2,531,687 while losses recovered under insurance during that period amounted to \$1,171,403. Fulmer's bill would override any agreement between the Commodity Credit Corporation and any lending agency of the government which would require the corporation to carry insurance. However the corporation could insure if specifically authorized to do so by the secretary of agriculture.



The Surface in this Field of Scientific Selling is Barely Scratched . . .

Yes, there is opportunity in the virgin field of Scientific Selling.

While selling itself is an old occupation, scientific selling as we see it coming into being is as new and in many ways as unknown as tomorrow morning.

There is a world of work to be done in Scientific Selling and there is a world waiting, ready and anxious, to give recognition and reward to all who can qualify for the doing of it.



The closest approach thus far toward Scientific Selling in the insurance business is the survey and analysis approach. While much is being said these days on the virtue of surveying risks, it is still a virgin field that spells OPPORTUNITY for those who make the most of it in their daily work.

So our agents can do this job well we have assembled for them practical tools — record blanks, work sheets, check lists of Coverages Applicable, etc., all with attractive binders as pictured above.

Return the coupon below and we shall give you more detail on this service . . . no obligation.

MILLERS NATIONAL INSURANCE CO. ILLINOIS FIRE INSURANCE CO.

HOME OFFICE: 137 W. JACKSON BLVD., CHICAGO

Yes! I am interested in your Survey and Analysis service so without obligation on my part please give me more details.

NAME N U 11-41

ADDRESS

SERVICE HEADQUARTERS FOR ALERT AGENTS

Here's Something New for You IN INSURANCE PROMOTION

INSURANCE BUYERS' Digest

VOL. I

No. 1

Helps Solve Replacement Difficulties

Right on the Job in Case of Trouble

Insurance is one of the few purchases that does not lapse to one's benefit until trouble ensues. The resident insurance man's chief service after the insurance program is constructed is dealing with the assured when trouble occurs. He is in a sense the family insurance doctor whose experience, knowledge and human understanding make him a most useful individual. He knows just what to do, what counsel to give and how to look after the interests of his clients.

The policyholder is in a perturbed state of mind when a loss occurs. He needs the helping hand at once. The local insurance agent is there, right on the job to get the most satisfactory company adjustment service.

In contrast, there are direct writing companies, whose wares are sold by salaried representatives who for the most part have no interest in the community. They get an order and off they go.

It is when trouble comes that the resident insurance man is particularly needed. He has studied his client's needs not on a brief trip but from a day to day observation.

In its regular editions, The National Underwriter (largest weekly insurance newspaper) covers hundreds of news items. As many of these are of particular interest to buyers of insurance, we are sending them to you in this special digest so as to help keep you informed on new developments.

Recheck Values to Meet Rising Costs

The upward swing in building costs and values makes it important to recheck the adequacy of fire insurance coverage. R. E. Glas, Omaha adjuster, pointed out. Mr. Glas traced the trend in building costs starting with 1913 as a base of 100 percent. In 1932 the ratio was 141 percent; 1933, 148; 1934, 167; 1935, 166; 1936, 172; 1937, 196; 1938, 197; 1939, 197; 1940, 203; and early in 1941, 208 percent. Buildings erected in 1932 cost approximately 70 percent more to build today than they did then.

Last year the National Board of Fire Underwriters completed reports on 36 cities and eight special or supplementary reports were issued following surveys of fire protection facilities.

Prospective Earnings Protection Vital

Prospective earnings insurance is the most necessary commercial safeguard of the hour, especially in view of war orders, F. L. Erlon, Chicago, points out. This coverage is unusually beneficial to manufacturers and business concerns in these times because if damage to the described premises is caused by an insured hazard and restoration is delayed by any cause beyond the owner's control, except ordinance or law regulating construction and repair of buildings, prospective earnings policies pay for the loss of earnings due to such delay no matter what contingency elsewhere had caused it. This provision is particularly important in view of the difficulty of making replacements.



"He carried no insurance on his car that was wrecked!"

PAGE 2

INSURANCE BUYERS' DIGEST

Smoking is Chief Fire Cause In Decade, Survey Shows

Smoking was by far the largest single cause of known fires in the United States during the last decade, according to a survey released by the National Board of Fire Underwriters. Fires originating from matches and the smoking of cigarettes, cigars and pipes caused three times as often as any from the next most common cause, the misuse of electricity.

Accounted for about one-sixth the value of property loss from fire causes. This resulted total of 1,208,376 claims representing property losses aggregating \$195,814,077 or 28.96 percent of all claims and 15.71 percent of all property losses.

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Figures on the 20 m of reported fires which was known between 1940 are given below as all fire resulting from known causes, so the represent the total fire and the total loss in the United States.

Cause	Pct. of Claims	Proper Value
Matches—smoking	28.96	\$195,814,077
Misuse of electricity	9.87	\$181,464,322
Exposure	6.40	\$121,027,855
Sparks on roofs	7.96	\$150,001,068
Overheated, defective chimneys, flues	6.97	\$140,271,699
Lighting	6.16	\$118,325,701
Ropes, furnaces, boilers, pipes	6.15	\$118,447,015
Open lights	5.73	\$109,851,051
Petroleum and its products	5.29	\$101,829,212
Hot ashes and coals—open fires	4.40	\$84,136,742
Ignition of hot grease, etc.	2.45	\$47,421,410
Spontaneous combustion	1.70	\$32,841,948
Cas—natural and artificial	1.51	\$28,655,919
Sparks arising from combustion	1.46	\$28,087,217
Miscellaneous	1.46	\$28,087,217
Friction, sparks from machinery	.79	\$15,248,909
Explosives	.57	\$11,191,446
Fireworks, balloons, etc.	.40	\$7,475,728
		\$1,248,002,508

Actual page size 5 3/4 by 7 inches. Folds to fit small envelope. Each issue has three printed pages, back page being blank for addressing or for your own message.

What Burglary Policy Covers

Questions on coverage offered by resident burglary insurance policies, answered by J. H. Dittman, Baltimore, indicate the broad protection which insureds are provided:

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INSURE TIME NEEDED TO RESUME WORK
Prospective earnings insurance protects the business.

INSURANCE BUYERS' DIGEST

PAGE 3

CREDIT MEN EYE DANGER SIGNS

Credit men have come to realize that without fire insurance, values of all property would be so disturbed as to interfere with the loaning of money, until credit, so indispensable to the expansion of business, would be almost impossible. H. H. Heilmann, executive manager National Association of Credit Men, declared. On extending credit the merchant's insurance coverages are invariably probed. Lack of proper insurance coverage is to credit men a danger sign which must be closely investigated.

Survey Service Is Important to Buyers

Insurance buyers usually do not have sufficient technical knowledge to handle their own insurance and need a qualified agent to aid them. A. E. Bryan, Hartford, commented. Agents are in position to render important survey service including an annual check on building values and what changes in coverage those involve; the same for equipment values; semi-annual check on stock values; fire rate analysis, looking toward possible reduction; audit examination for liability and compensation; claims service; accident or loss prevention service; checking policy warranties which might affect coverage; information on new legislation; a definite plan by which any changes taking place will be caught immediately and insurance added to take care of these changed conditions.

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Mutual Company Groups Elect; Hobbs Suggests That Adjusters Be Licensed

LOS ANGELES—Statutes in force 20 and 30 years ago are not in keeping with the times, Charles F. Hobbs, Kansas commissioner and president National Association of Insurance Commissioners, said in his talk before the National Association of Mutual Insurance Companies here.

Mr. Hobbs suggested that adjusters should be licensed by insurance departments in the states in which they operate. Companies and agents are required to be licensed. He suggested that the public is entitled to better treatment from adjusters than they get in some cases.

The requirements for organization of mutual companies, Mr. Hobbs said, are inadequate.

New Officers Elected

The National association elected the following officers: President, J. H. R. Timanus, Philadelphia Contributionship; vice-president, J. H. Rolston, Harrisonburg, Va.; treasurer, F. B. Fowler, Indianapolis; secretary, Harry Cooper, Indianapolis; national councillor to the U. S. Chamber of Commerce, W. E. Straub, Lincoln, Neb.; and directors, F. C. Cromer, Los Angeles; retiring president H. F. Gross, Des Moines; J. J. Beall, Seattle; H. P. Hostetter, Mt. Carroll, Ill.; M. A. White, Fremont, Mich.; and L. G. Purmort, Van Wert, O.

The National association selected Chicago for the 1942 convention. The Federation of Mutual Fire Insurance Companies did not elect officers. New officers of the advertising-sales conference are: President F. M. Davis, Utica, N. Y.; first vice-president, David Sperry, Owatonna, Minn., and second vice-president, H. A. Kern, Van Wert, O.

Two of the resolutions adopted by the convention were: That tenant purchasers under the Bankhead act are entitled to exercise the right of selecting their own insurance carriers, and that the companies prepare for the post-war period by seeking to reduce their present loss ratios by studying their expense ratios to eliminate all unnecessary expense.

Dr. E. E. Agger Nominated for N. J. Commissioner

TRENTON, N. J.—Governor Edison has announced that he will send the name of Dr. Eugene E. Agger, head of the economics department at Rutgers University, to the New Jersey senate to succeed Commissioner L. A. Reilly, whose term expired March 7, but who has been held over by the governor. Much pressure has been brought to bear by both insurance interests and banking officials throughout New Jersey on the governor to reappoint Commissioner Reilly, who has been popular with both interests.

To Continue with College

Dr. Agger's appointment, if confirmed by the senate, will be for three years at \$6,000 per year. He will continue to serve as head of the economics department of the university, but will give up class work. He has never taken part in any political affairs. He is a veteran instructor of bankers through association with organizations sponsored by the American Bankers Association, American Institute of Banking and the graduate school of banking at the university.

He was born in Cincinnati in 1879 and graduated from Hughes high school, Cincinnati, and the University of Cincinnati. In 1907 he became a lecturer in economics at Columbia University, which gave him a Ph.D. degree. He subsequently became assistant and associate professor, professor and head of the department of economics. He became director of the bureau of economics and business research at Rutgers University in 1926.

Caminetti May Return to Bench

There were persistent rumors at the convention of the California Association of Insurance Agents in Sacramento that Commissioner Caminetti of California will be named presiding justice of the third district court of appeals, succeeding John F. Pullen, who dropped dead Monday evening.

At the time of his appointment as commissioner in June, 1939, Caminetti was judge of the superior court at Jackson. Strength was given the rumors by the fact that Caminetti's former judgeship was in the same district, and his family has been prominent there for years.

Stewart B. Hopps, a director of the Rhode Island, and widely known in insurance circles, has bought the "dream farm" in Bucks County, Pa., formerly owned by R. J. Boltz, an investment counsellor of Philadelphia, now serving a prison sentence for embezzlement. Boltz is reputed to have spent \$263,000 on the estate, which was bought by Hopps from the bankruptcy referee for \$75,000. He plans raising thoroughbred steers and blooded horses.

N. Y. Reinsurance Course Gets Off to Good Start in Insurance Society

NEW YORK—The reinsurance course given by the New York Insurance Society, the first course in this subject ever given in this country, got off to a good start with an ample margin over the required minimum of 25 registrants. The instructor in charge, James A. Cathcart, assistant secretary of General Reinsurance, devoted his first lecture to the various definitions of reinsurance and the major reasons for reinsuring.

Mr. Cathcart will give most of the weekly lectures which constitute the course but in the latter part of the course Fred Maccabe, marine secretary of Automobile, will give two lectures on ocean marine reinsurance and William D. Collins, reinsurance manager of Corroon & Reynolds, will give two on fire and inland marine reinsurance.

In addition to acquiring a knowledge of the fundamentals of reinsurance, students will have an opportunity to compete for prizes which have been put up by P. R. Willemson, vice-president of Sterling Offices, Ltd., and by the Reins Club of New York, an organization of reinsurance men. The Willemson prize

consists of \$25 to be awarded to the top-ranking student, \$15 to the one attaining second rank and \$10 as third prize. Basis for awarding the special prize offered by the Reins Club has not yet been definitely determined by those in charge of the course but it is quite likely that it may be awarded to the student submitting the best essay.

Install Blanket Club Officers

SEATTLE—The Seattle Blanket Club installed new officers and initiated 13 new members at its annual banquet. Short talks were made by the new officers: W. D. Corbett, C. B. DeMille general agency, president; Earl Evans, United Pacific, vice-president; William Fox, Frank Allyn, Inc., secretary; and Tom Telfer, Carter, MacDonald & Co., treasurer. Val Webber, United Pacific, a past president of the club, was master of ceremonies.

Harry Gambrel, Kansas City agent, vice-chairman of the committee for the recent convention of the National Association of Insurance Agents, was elected president of the board of police commissioners of Kansas City. He was named on the board in July by Governor Donnell. Mr. Gambrel is commander of the Third Infantry military reserve force in Missouri. He is a member of the Gambrel-Stubbs Agency.



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Stay Ordered in Pearl Hearing in Montana Issue

HELENA, MONT.—The Montana supreme court ordered Commissioner Holmes to stay license revocation proceedings against the Pearl of London and two of its subsidiaries.

The stay was asked by the Pearl after its counsel notified the court the companies would appeal from a Lewis and Clark county district court decision denying them writs of prohibition sought to prevent the license revocation hearings ordered by Mr. Holmes.

After Judge Padbury denied the writ of prohibition Nov. 1, Mr. Holmes rescheduled the license hearings, first scheduled several months ago and then postponed several times because of court proceedings, for Nov. 17.

Companies involved are the Pearl, Eureka-Security Fire & Marine, and Monarch Fire. Mr. Holmes ordered the three companies to show cause why their Montana licenses should not be revoked after the house of representatives of the 1941 session of the legislature recommended that course of action.

Turkey Business in Minn. on Good Basis This Year

MINNEAPOLIS—Quite in contrast to a year ago this week, when they had their worst headache in years, insurance men identified with the turkey business in Minnesota are in a decidedly happy frame of mind. They wrote a lot of business this season at higher rates, and losses have been below normal. While few companies will recoup all they lost in the terrific Armistice Day storm last year, they are satisfied that turkey insurance is on a better basis than it has ever been.

This is because the 1940 storm taught turkey farmers a lesson and if that storm were to be repeated this winter, losses would be comparatively small. Farmers are using more care in placing turkey shelters so as to provide better protection. Also they were careful this year not to let their policies lapse. Farmers give the insurance carriers credit for putting their business on a safe basis.

"It would not be possible to raise turkeys on such a large scale as is done in Minnesota if complete insurance coverage were not available," is the way M. C. Leonard, insurance agent and banker at Worthington, Minn., puts it.

J. C. Ketchum Is Leaving Michigan Department

J. C. Ketchum has resigned as second deputy insurance commissioner of Michigan. He has been director of the casualty division. He is becoming executive vice-president of the Michigan Medical Service, which is sponsored by the Michigan State Medical Society to provide medical and surgical care to persons of moderate income on a flat premium basis. Mr. Ketchum was formerly one of the examiners of the department and for some time acted as chief examiner. For a time he left the department and then returned as second deputy under Commissioner Emery. During the time between his periods of departmental service he served as an executive of Great Lakes Casualty and Dearborn National Fire.

Department officials indicated that Mr. Ketchum's place probably will not be filled immediately. The position is under civil service and the appointee must be certified by the state civil service commission.

It is announced that the Michigan Medical Service is covering nearly 71,000 employees of General Motors and its subsidiaries for surgical benefits under a surgical and hospital coverage plan, on a payroll deduction basis. It provides

up to \$150 per year for surgical care to an unmarried employee with income of less than \$2,000 or to married employee and members of his family whose combined annual income is not more than \$2,500.

Revise Canadian Sabotage Cover

TORONTO—The Canadian Underwriters Association has broadened its vandalism and sabotage endorsement to the supplemental contract, so that it now covers, as before, loss caused by persons "resident or secretly" in Canada, and also accidental loss from war preparations and all military, naval or

air force operations, as long as they are not hostile. At same time, however, the endorsement has also been changed to provide that all coverage ceases retroactively as of 24 hours before the first operation of enemy armed forces, "in, over or against" any Canadian territory, regardless of where the insured property is located.

It is expected that the war risk and bombardment policy will be revised to pick up the liability which is terminated in advance by the happening of an invasion or raid.

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Convention Dates

Nov. 14, Casualty-Actuarial Society, New York City, Hotel Biltmore.

Nov. 14-15, Oklahoma agents midyear meeting, Youngblood Hotel, Bnd.

Nov. 18-19, Georgia Agents, mid-year, Macon.

Nov. 22-25, Southeastern Underwriters Association, mid-year meeting, Pinehurst, N. C., Carolina Hotel.

Dec. 4, Insurance Advertising Conference, New York City, Waldorf-Astoria.

Dec. 8-10, National Association of Insurance Commissioners, mid-winter meeting, New York, Hotel Pennsylvania.

Dec. 9, Arkansas agents mid-year meeting, Little Rock, Marion Hotel.



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NEWS OF FIELD MEN

America Fore Announces Some Field Changes

Fred E. Heckel, formerly in the local agency business at Grafton, N. D., has been appointed state agent of the America Fore companies in North Dakota, with headquarters in the Black building, Fargo, replacing R. W. Swanson, who is being transferred to Indiana as special agent of Continental and American Eagle. Mr. Heckel for the past 3½ years has been associated with the Grafton National Bank. He is a native of North Dakota and has lived in the state most of his life. He is a graduate of the University of North Dakota.

Mr. Swanson is a graduate of the Armour Institute fire prevention engineering course. He was with the Iowa Insurance Service Bureau for three years and in the engineering department of America Fore in Chicago before going to North Dakota.

John B. Hunter has been appointed special agent assisting State Agent John W. Hull for the Continental and American Eagle in Iowa, succeeding Vincent O'Malley, who was inducted into military service.

Speakers Bureau Set Up

The Special Agents Association of the Pacific Northwest (western Wash-

ington division) has set up a speakers' bureau and has informed local associations in western and central Washington that speakers on various forms of insurance coverages will be furnished for meeting programs.

May Incorporate Utah-Idaho Pond

The Utah-Idaho Blue Goose has under consideration the advisability of incorporating. The question formed the chief topic for discussion at the November meeting in Salt Lake City. Most Loyal Gander W. J. H. Montgomery named a special committee to investigate and report at the next meeting.

J. A. Daly Resigns

J. A. Daly of Milwaukee, state agent of the Atlas in Wisconsin, who has been laid up with heart trouble for 60 days, has resigned from the Atlas owing to his condition. His physician advises him that he will not be able to do anything but desk work and cannot travel in the future. He was formerly with the Travelers.

Will Inspect St. Clair

Arrangements are being completed for an inspection of St. Clair, Mich., Nov. 25. A preliminary luncheon was held at which representatives of different interests appeared. Insurance men attending were Frank Beadle, St. Clair agent, who was chairman of the meeting; O. D. Cope, local agent; Robert Foster, Michigan F. & M.; George Stone, National Liberty. Mr. Beadle is chairman of the committee handling all local arrangements.

Hold Iowa Duck Dinner

About 80 Iowa field men attended the annual Vern Myers duck dinner at Waterloo, with tribute paid to the retired state agent, who is now residing in California.

The duck dinners, an annual event, were first started by Mr. Myers while serving as Iowa state agent of Security of Connecticut. He moved to California several years ago following a serious illness.

At the dinner all of the field men present signed a letter to Mr. Myers and a telegram was dispatched at the same time.

Following the dinner the Iowa Blue Goose initiated two new members, G. H. Guiland, Western Adjustment, and M. D. Koon, Firemen's group, both of Waterloo.

A group of hail men held an informal meeting prior to the dinner, discussing current hail losses and other matters.

Frank Miles of Des Moines, selective service publicity director for Iowa and editor of the "Iowa Legionnaire," spoke on Americanism at the luncheon of the Iowa pond in Des Moines.

Kansas Field Groups Meet

The bi-monthly meeting of the Kansas Fire Underwriters Association was held Nov. 12 in Topeka. On Tuesday the Kansas Blue Goose held a stag at the Shawnee Country Club, Topeka, with R. M. Covington, Hartford, and Byron R. Ward, Law Union & Rock, in charge.

Hear of Army Experiences

Harold Brown, former staff adjuster with the Wichita office of the Western Adjustment, now in service at Camp Robinson, Ark., was back in Wichita on furlough and guest at the Sunflower Blue Goose puddle, telling of army experiences. Robert Noble, son of R. J. Noble, National Union state agent, who attended the "boys state" sponsored by the puddle, gave his report.

The Wichita Blue Goose auxiliary will entertain Sunflower puddle members and guests at a dinner-dance-

bridge Nov. 22. Mrs. R. J. Noble heads the arrangements committee. The auxiliary held its monthly luncheon-bridge Nov. 12.

Oklahoma Pond Fall Splash

The fall splash of the Oklahoma Blue Goose was in the form of a golf tournament at Twin Hills Golf & Country club, followed by a buffet dinner and dance to which the ladies were invited. Malcolm Jones, American, carried off the honors in golf. There were 116 ganders and ladies present.

Phoenix Field Men Attend School

Phoenix of Hartford held a school in Chicago last week on inspection and survey work for about 18 of its younger field men who had not taken such a course, most of them from the middle west and south. Vice-president Roy E. Eblen and Charles Latham of the automobile department were on from the home office and addressed the class.

Cuddy Buckeye Union Special

W. T. Cuddy, who has been with the Buckeye Union Casualty and Buckeye Union Fire for some time, has been appointed special agent, traveling southeastern Ohio. He has been 10 years in

the insurance business, the last three traveling in the state for the Commercial Union. He succeeds L. W. Gehring, who has been transferred to the home office claim department.

Pennsylvania Club Meets

The Pennsylvania Field Club met Monday evening at Harrisburg. The club is trying out evening meetings to see if the attendance can be increased.

Kentucky Field Meetings Nov. 18

The Kentucky Fire Underwriters Association will hold its annual meeting in Louisville Nov. 18. The Kentucky Fire Prevention Association will hold its semi-annual meeting and the Kentucky Blue Goose will have an initiation and dinner-dance.

Mo. Underwriters Gather

The Missouri Fire Underwriters Association met in Columbia, with a dinner the previous evening. E. L. Crelin, America Fore, president, presided. Goetze Jeter, Moberly, gave a talk on Mark Twain.

C. R. Vanderpool, special agent Northern Assurance, Portland, Ore., is receiving congratulations on the birth of a son.

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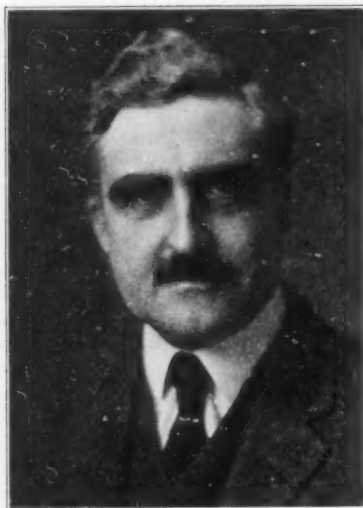
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IRVING WILLIAMS

The Indiana Blue Goose will give a notable testimonial dinner Monday evening at Indianapolis in honor of Irving Williams, editor of "Rough Notes," and wielder of the goose quill. He is completing a third of a century service in that office and has been a member of the pond for 35 years. He is the only original charter member still accredited to the Indiana organization. The Indiana pond is inviting a number of men formerly members who are old friends of Mr. Williams. Following the dinner there will be initiation of the largest class in many years. J. Ray Hull, Union of Indiana, is most loyal gander. The arrangements committee consists of G. R. Pritchett, American, W. R. Caskey, Travelers Fire, and Walter Polsz, Sun. Mr. Williams is an institution in himself in Indiana and, in fact, all over the country. He has made "Rough Notes" one of the real educational papers in fire, casualty and marine insurance. He is a discriminating writer and his selection of material reveals his long experience in editorial work. Personally he is a charming gentleman of the old school, but always alert and thoroughly modern in his line of thinking.

CHICAGO

LIFE MEMBERS' COMMITTEE

J. H. Macfarlane of Chicago, secretary America Fore, who is president of the Society of Life Members of the North-west Association, has appointed the executive committee as follows: W. T. Benallack, Michigan F. & M., Detroit; W. H. Lininger, Evanston, Ill.; R. L. Nicholson, Michigan F. & M., Milwaukee, and the following from Chicago: W. N. Achenbach, Aetna Fire; C. M. Cartwright, THE NATIONAL UNDERWRITER; J. R. Cashel, Providence Washington; J. A. McClelland, Great American; P. C. Metzger, London & Lancashire; C. J. Munn, Cook County Loss Adjustment Bureau; A. F. Powrie, Fire Association; E. L. Rickards, National Automobile Underwriters Association, and W. M. Sheldon, W. A. Alexander & Co. Mr. McClelland has been appointed chairman of the entertainment committee, Mr. Munn, memorial, and Mr. Powrie, nominating.

PHIL HANNA'S CHANGE

Phil S. Hanna, editor of the Chicago "Journal of Commerce," who conducts a daily column on the front page of that paper, "The Round Table," is joining the new Chicago morning paper. Mr. Hanna has brought the Chicago "Journal of Commerce" to the fore and his financial and general knowledge have been recognized for a long time.

R. J. Thain, Jr., one of the news representatives of THE NATIONAL UNDERWRITER in Chicago, joins the new publication as a reporter.

MRS. DAVIS TO ADDRESS GROUP

Mrs. Roy L. Davis, board president of the Mary Bartelme Club, Chicago, will speak Thursday evening before the Insurance Distaff Executives Association, Chicago, at a dinner meeting on "The Juvenile Girl Problem." Mrs. Kathleen Belcher is program chairman. Mrs. Hugo Dahmar, president, will preside.

INSURANCE CLUB "QUIZ" PROGRAM

The Insurance Club of Chicago will hold another "quiz" forum next Tuesday evening at De Met's banquet room in the Board of Trade building at 6 p. m. As was the case last year, experts on fire, marine, casualty and surety lines will be battered with questions of current general interest. The feature is being repeated by popular demand.

"Experts" will be E. D. Lawson, western manager Fireman's Fund, marine lines; H. R. Thiemeyer, North America, fire insurance; G. E. Hofmeister, vice-president, and J. E. Payne, compensation underwriting manager Continental Casualty, casualty coverages, and R. G. Marshall, Seaboard Surety, fidelity and surety. J. C. O'Connor, editor "Fire, Casualty and Surety Bulletins," of THE NATIONAL UNDERWRITER, will again be interlocutor.

Peter Eriksen, Underwriters Service, is president of the Insurance Club and Mrs. Phyllis Finley Boynton, E. H. Walters & Co., is program chairman.

WAGNER & GLIDDEN TO MOVE

Wagner & Glidden, independent adjusters in Chicago, have leased the entire 29th floor in the tower of the Board of Trade building. The firm was organized in 1900 and has been located for 30 years in the Insurance Exchange. In 1927, Wagner & Glidden merged with Toplis & Harding, which was founded in London in 1790. It is the oldest adjusting firm in the world. Wagner & Glidden constitute the managing corporation handling United States business for that firm.

John K. Walker of Moore, Case, Lyman & Hubbard of Chicago is sojourning at Hot Springs, Ark.

The Insurance Check Chart helps to detect hazards. Get a copy for 75 cents from National Underwriter.

NEW YORK

SEE NATIONAL BOARD FILM

Home office employees of the North British & Mercantile group were afforded opportunity to see the National Board's sound motion picture, "Safeguarding America Against Fire," at North British headquarters, at the suggestion of Manager C. F. Shallcross, who was anxious employees be impressed with the wide and valuable services rendered the general public by the National Board and be qualified to pass the information on to others.

ARRANGEMENTS COMMITTEE NAMED

L. H. Pink, superintendent of insurance, has announced the appointment of the following committee to make arrangements for the convention of the National Association of Insurance Commissioners to be held at the Hotel Pennsylvania, Dec. 8-10: A. N. Butler, Corroon & Reynolds, chairman; H. P. Dunham, vice-president American Surety, treasurer; C. W. Fairchild, general manager Association of Casualty & Surety Executives; J. H. Doyle, counsel National Board; R. J. Sterrett, vice-president Equitable Society; J. S. Phillips, vice-president Great American; C. G. Taylor, vice-president Metropolitan Life, and Orville Davies, vice-president General Exchange.

MOVING DAY DELAYED

It will probably be early in December instead of Nov. 15 as originally intended, before the New York insurance department will be able to occupy its new offices at 61 Broadway, which are now being put into shape for its occupancy. Partitions are being erected, telephones installed and other essentials to the convenient handling of departmental affairs arranged, all of which will take more time than was first figured.

JOHN SPLAIN TO SPEAK

John Splain, recently appointed metropolitan director of safety responsibility of the Bureau of Motor Vehicles in New York City, will be the speaker at a dinner of the Westchester County Association of Local Agents, Nov. 17.

New U. & O. Rules Adopted in N. Y.

NEW YORK—The New York Fire Insurance Exchange at its meeting Wednesday adopted the revised rules for writing use and occupancy risks recommended by the Eastern Underwriters Association, and already approved by various other divisional bodies.

R. W. Forshay's Mother Recovering

Mrs. B. D. Forshay, Anita, Ia., mother of R. W. Forshay, president National Association of Insurance Agents, is recuperating from a serious operation at Mayo hospital, Rochester, Minn. She is expected to return home late this month.

On November 5 Prescho, S. D., was inspected by the South Dakota Fire Prevention Association. Talks were given by Commissioner Burt, A. S. Boe, mayor of Prescho, and J. H. Krug, secretary of the Fire Prevention Association. The next inspection is scheduled for Jan. 7 at Britton.

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A large contributing factor to its success is a letter of transmittal which accompanies each candle — a letter that carries both your personal greetings and explains the history and tradition of the Bayberry candle. This "master" letter, which may be varied to fit your individual requirements, is supplied free with each order.

So plan now to give your "Merry Christmas" the extra warmth and sincerity that comes from extra thought in the selection of a gift. Give those on your business-gift list a beautiful and fragrant Will & Baumer Bayberry Candle. The supply is limited, so make your reservations well in advance. Send your order today.

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Major Changes Urged by Department

(CONTINUED FROM PAGE 1)

mittee appointed by the insurance superintendent and composed of representatives of the companies and of the department.

It is interesting that just a few weeks ago Joseph Collins, chief of the rating bureau of the New York department, addressing a group of insurance accountants, suggested that the National Board classification reports do not give as complete a breakdown of experience as is desirable.

The report states that although the experience statistics as furnished are inadequate for the purpose of passing upon rate classification, building and contents differentials, minimum rates, dwelling rates in protected and unprotected territories, rates for indirect coverages and in other respects, yet they may be reasonably accepted as tangible evidence of the need of broad rate adjustment.

Says Estimate Overstated

The rating organization, according to the report, estimates that the changes in rates from Jan. 1, 1932 to Oct. 1, 1939, have produced in the aggregate a premium reduction of \$8,180,000 on an annual basis. The examiners, however, express the belief that this estimate is materially overstated.

The examiners refer to the latest five year experience, covering 1934-1938 inclusive. The five year total premiums written are \$329,301,568, losses paid \$120,938,825 with a loss ratio of 37.3. Bringing the premiums to the present rate level, with the use of rating organization estimates of the effect of individual changes, produces premiums of about \$301,260,000 and a loss ratio of 40.1. Relating this to a 51.5 permissible loss ratio produces an indicated over all rate reduction of 22.1 percent. The examiners recommend that the rating organization be directed to study and consider these figures and make such revisions of its rates as will be reasonable and equitable as intended in the provisions of the rating law.

Relations with Exchange

Among the other recommendations are that the New York City division of the rating organization discontinue the paying of certain expenses of the New York Fire Insurance Exchange; that proper charges be made for all services rendered to the exchange; that dual functioning of committees of the exchange and rating organization be discontinued; that all controls now exercised through the exchange agreement over the activities of the New York City division of the rating organization be abolished; that the dependency of the rating organization on the exchange for action on rating matters be removed. The board recommends that records of meetings indicate clearly in what capacity the committees serve in their consideration of matters; that attention be given especially to the more complicated schedules like the special hazard schedule upstate and the non-fireproof mercantile schedule in New York City with the idea of bringing about simplification.

The examiners state that absence of the issuance of explicit instructions from the central office is responsible for difference among the Syracuse, Buffalo and suburban divisions in the application of fault of management charges.

Examiners state that the delay in rating risks subject to the simplified mercantile schedule produces a situation inconsistent with equity. In the future the organization should plan the application of schedule revisions so as not to produce discrimination between districts over a long period.

Another recommendation is that the exposure charge be eliminated from all fireproof schedules of all divisions and the uniform sprinkler schedule. There should be a study of the frequency and extent of exposure losses involving non-fireproof risks so as to determine the reasonableness of removing sur-

charges except in cases of exceptional exposure hazards.

Steps should be taken to bring the various schedules into harmony to the fullest reasonable extent as soon as possible. Then there is the recommendation that the coinsurance credit available for sprinklered risks in Syracuse and Buffalo divisions be allowed in New York City and suburban divisions; also that the 5 percent allowance for 100 percent coinsurance granted in New York City division on blanket policies other than average blanket coverage be allowed in the other divisions.

Important recommendations are made in connection with sprinklered risks, the examiners stating there is urgent need for corrective action. Examiners recommend that the charges and credits of the schedules should be fixed according to definite standards; conditions for which charges may be made or for which credits may be allowed should be clearly defined; that standards of construction and protection be established and incorporated as part of the schedules; that the organization be directed to make all inspections to be used as a basis for rating sprinklered risks and not to rate on the basis of inspections made by a company, Factory Association or any other group of companies; that the organization be directed not to make any changes in the rate of a sprinklered risk where such change is based on a change in physical conditions recognized in the rating schedule unless all essential information pertinent to such changes is contained in a report of inspection made by the organization.

Also that the organization be instructed to notify its members that no company either individually or through the Factory Association or any other group shall attempt either directly or indirectly to influence the organization in the making of a rate for a risk; also that the organization be notified that any rate promulgation made by it which has been influenced by pressure or request of any company or groups of companies and which is unsupported by bona fide rating data shall constitute willful violation of the law.

Letter From W. J. Ward

The examiners state they have a letter from General Manager W. J. Ward of the organization that steps are being taken to frame a uniform schedule for sprinklered risks for statewide use and that rating rules and practices will be made uniform.

The examiners go into the subject of the broad forms of endorsements that are extended to sprinklered risks, saying it is difficult to reconcile this procedure with the general principles of rating. The examiners state there seems to be no justification for not giving most of the waivers and privileges that are contained in the broad form endorsement to all classes of risk insofar as applicable. However, the examiners state, in substitution for the agreed amount of insurance clause, it might be feasible to adopt a lower requirement of coinsurance for sprinklered risks and risks of superior protection which would, in effect, recognize the lower probable percentages of total losses in accordance with the type of construction and protection.

Another recommendation is that the organization adopt safeguards to assure the use of true values for buildings and contents which are to be used in computing average rates. Including non-sprinklered properties in the calculation of average rates at the rates applicable to sprinklered buildings is improper.

Checking of Violations

On the matter of checking of violations, examiners recommend that the organization be directed to require the submission of the same data on Factory Association risks written on broad forms as are required on other risks. Mr. Ward has given assurance that this

recommendation is now being complied with. There should be a more effective control in the checking of violations in the New York City division, the examiners state.

The examiners recommend that the so-called pro rata term privilege that is extended to public property risks, fraternal, religious, charitable and non-profit educational institutions be available to all properties that are eligible for term insurance. This arrangement provides for the premium to be payable in equal annual amounts, the insurance to expire in equal amounts, one, two or three years or one, two, three, four and five years from a common inception date.

Other Suggestions Made

The organization is requested to give consideration to the desirability of extending the term privilege to mercantile stocks.

A suggestion is made that unearned premium insurance be characterized as reinstatement coverage.

The examiners recommend that an exhaustive independent examination be made to determine what, if any, additional riders, endorsements, clauses, permits and forms should be adopted as standard. The examiners express the belief that there should be statewide uniformity of riders, etc., insofar

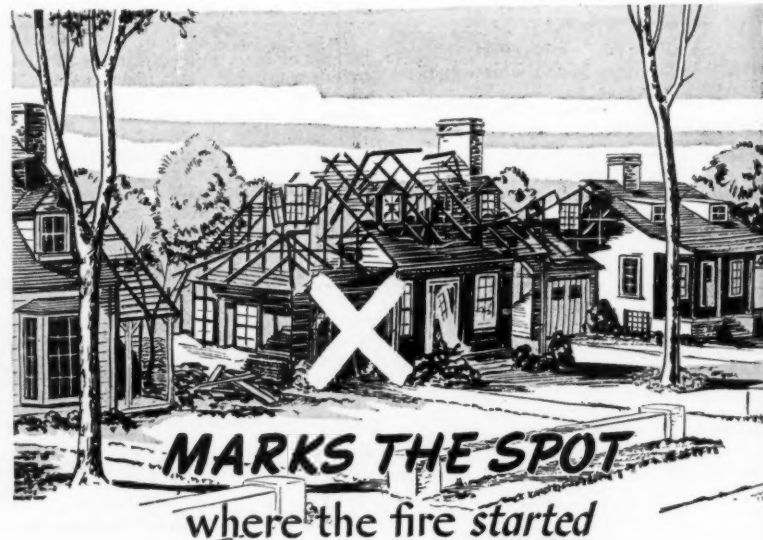
as it is feasible and the use of individual, divisional and underwriters association forms be held to a minimum.

The final recommendation is that the organization define the services to which a company is entitled by virtue of its membership; and that a schedule of fees be adopted, to be uniformly applied throughout the state for whatever additional services may be desired.

Vichy Ban of No Moment

NEW YORK—The Vichy government's action in opening its merchant shipping field to German and Italian underwriters and banning British and United States companies will be of little practical importance to American companies since these companies do little marine business in France. The American Foreign Insurance Association ceased doing marine business in France last June, though it still does a substantial amount of fire insurance business in France and its possessions.

American International Underwriters' business which might be affected by action of the Vichy government is in the colonies rather than in France itself. Apparently the latest decree does not affect the colonies. Ordinarily separate decrees are promulgated for the colonies, often several months later than for France itself.



Should an assured's home be damaged by fire, the fact that the fire started in the house next door is little consolation. No matter how careful he may be—no matter how many sensible precautions he may take—all his forethought may be nullified by a careless neighbor.

Adequate fire insurance on his home and contents, there-

fore, is a modern necessity. It is not merely a safeguard against disaster in his own home or business—it is a protection against the negligence or carelessness of others.

Phoenix-London agents use this thought to good advantage in impressing assureds and prospects with the need for complete fire insurance protection.

PHOENIX-LONDON Group

55 FIFTH AVENUE,
Phoenix Assurance Co., Ltd
Imperial Assurance Company
Columbia Insurance Company
United Firemen's Insurance Co.



NEW YORK CITY
The Union Marine & General
Insurance Co., Ltd.
London Guarantee & Accident
Co., Ltd.
Phoenix Indemnity Company

COMPANIES

Secured F. & M. Has "Progress" Dinner

INDIANAPOLIS—At a get-together dinner of the stockholders of Secured Fire & Marine, President W. A. Watts announced operations will start Jan. 1. Four hundred attended the banquet, and stockholders were present from all parts of the state, indicating their interest in this new underwriting enterprise. Secured will operate as a conference company, Mr. Watts said.

Floyd W. Burns, attorney and company counsel, made the main address and described the course that had been followed in establishing the company on a sound basis. Care had been taken in selecting stockholders, as it was recognized at the start that a group of shareholders who had interests that would produce business for the company was very desirable. Accordingly it is certain that the company will enjoy a flow of good business from the start.

Garvin and Bulau Speak

T. E. Garvin, attorney, spoke briefly and outlined the protective features of the Indiana statutes under which the company is incorporated.

Alwin E. Bulau, Indiana state agent of Home of New York, discussed some of the romantic aspects of the business of fire underwriting. This phase of the business has long had a strong appeal for Mr. Bulau, who has collected a number of fire marks, fire fighting equipment and apparatus and similar objects.

President Watts expressed briefly his confidence that now is an excellent time for launching a new fire company which is set up along lines designed for permanency. He said the company will write all fire and affiliated lines including marine, and also full coverage automobile insurance which a company organized under Indiana laws is permitted to do.

Kremer Twin City President

C. S. Kremer, president of Hartford Fire, has been elected president and director of Twin City Fire. F. C. White, vice-president of Hartford, attended the directors meeting in Minneapolis at which the action was taken.

C. L. Blum of Chicago, superintendent of the farm department of Commercial Union, spent several days in Oklahoma, guest of H. E. Pate, state agent.

WHAT TIME HAS WROUGHT

The Illinois Blue Goose held a luncheon in Chicago, March 16, 1915, which was St. Patrick's day. W. J. Sonnen of the St. Paul F. & M., was most loyal gander. One of the ganders was disabled and was located in the Evans-ton Hospital.

Gander Sonnen arranged for all to sign their names to a series of pages and they were tied together and sent to the member at the hospital. It is interesting now to report the names simply to see what great changes occur in 25 years time. The following signed the roll: Thomas E. Gallagher, A. R. Monroe, Vincent Gallagher, Fred C. Lowry, C. L. DeWitt, Ralph Rawlings, B. E. Starr, Fred J. Sauter, H. C. Eddy, John Marshall, M. F. Driscoll, Jay M. Allen, Thomas C. Little, W. J. Sonnen, C. L. Hecox, Guy A. Richards, Alex Smullan, Cecil (Duke) Collins, W. E. McCullough, W. P. Forbush, G. W. Richardson, Ben P. Branhan, Henry A. Yates, E. T. Tanner, O. C. Gleiser, A. J. Meyer, A. E. Vandeventer, H. M. Greenberg, Frank S. Chase, Melvin LePitre, W. E. Hill, F. G. Cargill, G. A. Arens, James A. Johnson.

Illinois Blue Goose Holds Annual Party

The Illinois Blue Goose, following established custom, held its dinner in Peoria last week, the night before the opening of the Illinois Association of Insurance Agents convention. The usual large crowd turned out to be entertained with a floor show. R. S. Danforth, Millers National, most loyal gander, introduced two visiting past most loyal ganders of other ponds, D. L. Jones, now agency superintendent at the home office of Ohio Farmers, and formerly head of the Indiana pond, and E. C. Hauser, North British engineer at Milwaukee, who headed the Wisconsin home nest last year.

Guest of honor was George E. Edmondson, Tampa, Fla., newly elected grand keeper, who is also president of the American Association of Insurance General Agents. Mr. Edmondson, who has already attended gatherings of four ponds, brought the greetings of C. J. Malcolm, Toronto, most loyal grand gander.

H. F. Tuerk, Peoria, manager Illinois Fire, was in charge of arrangements. Prizes were awarded to the recent golf tournament winners.

School Insurance Quiz in Indiana

INDIANAPOLIS — The Indiana board of public instruction has instructed all state school relief corporations to write expiring or increased fire insurance on a staggered three year basis and informing them that all insurance, new and renewal must be approved by the board. It also asked that all existing policies be sent in for checking. While prohibiting cancellation of existing insurance without approval, the board instructed the schools to work for the lowest possible rate and to notify the board if adjustments cannot be made without cancellation.

While the instructions themselves cannot be considered harmful, insurance men naturally wonder what is behind this sudden interest.

Newcomb Is S. D. Speaker

The South Dakota Fire Underwriters Association held its regular meeting at Chamberlain, S. D., Nov. 4 at the Taft Hotel with an excellent attendance. W. E. Newcomb, field supervisor Western Underwriters Association, was the guest speaker.

May Write Marine on Army Stores

Marine insurers may now write in Missouri multiple peril coverages on property of the army quartermaster's corps in public storage warehouses and

in transit, provided the rates applied are in excess of the filed rates for fire and all other rate-regulated coverages. Superintendent Scheufler has ruled. This broadening of the marine definition is "solely in the interest of and during the continuation of the present national emergency or until further notice."

Traditional Xmas Gift

The bayberry candle is a traditional expression of Christmas, and the Will & Baumer Candle Co. of Syracuse, N. Y., this year is issuing a special Christmas gift package of candle and candle stick packed in a holiday carton. The package is accompanied by a letter giving the history and tradition of the bayberry candle.

Wisconsin Blue Goose Meeting

The Wisconsin Blue Goose held a dinner meeting in Madison last week, with about 50 present. G. E. Edmondson, Tampa, Fla., new grand keeper, was guest of honor, attending the meeting while on one of his celebrated long range football trips. Eli Shupe, Milwaukee, Home of New York, is most loyal gander.

Get more casualty business. Send \$1.50 for year subscription to Casualty Insurer, 175 W. Jackson Blvd., Chicago.

Transfer Suit on Tacoma Bridge Liability

SEATTLE—Formal transfer of the suit involving the dispute between the Fidelity & Guaranty Fire and the Millers National over liability for \$38,461 on the Tacoma Narrows Bridge loss was completed from Pierce county to King county superior court, Seattle.

Under the terms of the stipulation, whereunder the F. & G. advanced the \$38,461, in order to consummate the \$4,000,000 adjustment with the state, Governor Langlie this week named J. W. Hoover, former head of the department of labor and industries, to act as plaintiff in the case.

The case will decide which of the two companies is liable. The F. & G. had issued a binder the day before the bridge collapsed, intending to relieve the Millers National of \$50,000 of its \$100,000 line. However, the F. & G. contends there was a 60-day cancellation clause in the Millers National policy which would not have been replaced by the new binder until expiration of that period.

No date has yet been set for the trial.

Get more casualty business. Send \$1.50 for year subscription to Casualty Insurer, 175 W. Jackson Blvd., Chicago.

✓ SOUNDLY MANAGED
✓ FINANCIALLY STRONG
✓ CAPABLY STAFFED
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✓ PROGRESSIVELY
AGENCY MINDED

...that's the
KANSAS CITY'S
"Sales Story" in a nutshell



Capital Stock Company Insurance—the only kind this company writes—is the safest and most economical insurance you can buy. Be sure that your insurance is all written in reliable capital stock companies.

Morton T. Jones, President



KANSAS CITY Fire and Marine

INSURANCE COMPANY

CHICAGO OFFICE:
INSURANCE EXCH.

KANSAS CITY,
MISSOURI

Auto Losses May Bar 1941 Profits

(CONTINUED FROM PAGE 3)

"the other fellow who runs into him," or the others who will drive assured's car.

The present emergency naturally is the focal point of attention, but several phases of the problem are of a permanent nature.

One of the big changes is in the way the automobile today is manufactured. It is more of an integral unit all the way through; that is, the fender is built firmly into the body, the lights into the fenders, and so on, so that even a light bump can cause substantial damage. In spite of priorities and the possible elimination of certain gadgets and fancy grille work, this tendency in construction is very likely to continue.

Serious Effect of Defense

The automobile business is probably more affected by defense conditions than any other. There has been a tremendous increase in the actual movement of cars, and the results of congestion at defense manufacturing points, army camps, etc., make automobile underwriters shudder. The whole temper of the times has led to higher speeds and a relaxation of care in driving. Collision not only covers collision with an actual object or vehicle but also upset, and many of the serious accidents are of the upset variety.

Curtailed production of automobiles in the immediate future may hurt premium volume of the automobile underwriters some, but it isn't likely to decrease the exposure at all, and of course, is forcing further increases in values.

One of the things that can't be laid entirely to the present emergency is the increase in exposure due to greater sale of coverages by agents. The agents, educated by the companies, have sold more coverages more widely. Because of the increased coverage and broader forms, the public has become more claim minded and the frequency of claims, discounting the present emergency, has increased.

The higher cost of parts and labor, the excise tax on new cars, etc., add to the immediate urgency of getting relief. The rates and forms do not take into consideration these factors.

Suggested Collision Schedule

Present premiums are predicated on the 1939 level of automobile values, automobile men say. The schedule of collision rates is 100 percent for the new car, 80 percent for a car one year old, 60 percent for the two year old, and 40 percent for the three year old. The 100 percent is based on list price, yet companies settle losses on the basis of actual value, which is higher all along the line than the list price less normal depreciation. In Michigan this schedule has been changed to 100, 90, 70 and 60, and this sort of schedule is being strongly advocated for general application. Under the Michigan schedule the companies would get 10 percent more on one and two year old cars and 20 percent more on three year old cars, which, applied to all risks, would do much to alleviate the present situation.

While the big problem is collision and attention has been focused on that particular protection, as a matter of fact fire and theft losses are showing increases as well. Statistics show a material increase in thefts in many areas. Experience on the two hazards has been good for several years so that rates are down. It used to be that when one item showed a loss another item would be profitable enough to take up the slack, but this no longer holds true.

Automobile men are also eyeing the comprehensive cover. They regard the present rate for the most part as satisfactory with the exception of glass breakage. Almost 90 percent of the premiums received for comprehensive

His Honor



W. H. RIKER

W. H. Riker, formerly associate western manager of the North America, who retired and went to Harrodsburg, Ky., his old home, where he built a new modern residence, has been elected mayor of his city. His honor promises to give a strictly non-partisan administration and have all departments of the city conducted with honesty and efficiency.

cover go to pay glass breakage claims.

Automobile men believe glass breakage should command a flat charge that does not change from year to year because replacement costs are the same for the 1938 car as for the new one. In fact, some of the older cars have larger windshields and windows than the newer ones. The comprehensive rate would run along as it does now, at so much per \$100 of value and decreasing with depreciation, but the glass cover would be segregated and continue year after year with the same dollar premium.

It is interesting to note that on business financed by finance companies or banks the coverage on the car consists of fire, theft and collision and seldom is any comprehensive required. However, on cars owned by the assured, the bulk of coverage is fire, theft and comprehensive, with collision in the minority of cases. Hence, comprehensive is a real factor in the present and future situation.

As far as the competitive situation is concerned, the deviating, non-conference companies are having as hard a time as the conference companies, and perhaps harder under present circumstances. A non-conference company not long ago sought state approval for a deviation of 25 percent, but shortly after it had received this approval it went back and attempted to get the deviation reduced to 10 percent because of the losses pouring in.

Large Attendance in Connecticut

(CONTINUED FROM PAGE 3)

cause of inability to get needed parts on account of priorities requirements.

So far, he said, the personal property floater never had been formally put up to the Connecticut department for approval. If it had not been adopted in Rhode Island, he stated, he would be more diplomatic in his remarks on the subject.

Mr. Blackall said there were 6,841 agents licensed this year in Connecticut, 143 less than two years ago, and that there were 33,000 licenses outstanding. The division is 3,805 life and 2,089 life

only; 4,106 fire and 624 fire only and 4,090 casualty and 467 casualty only. Out-of-state agents number 213. The brokerage situation in Connecticut is different than it is anywhere else, Mr. Blackall said, and the issuance of brokers' licenses is discouraged. Only 43 resident brokers are licensed. New York leads with out of state brokers, having 333, followed by Massachusetts with 45.

He remarked that the attendance at the meeting was the largest he had seen since becoming commissioner in 1935. He stated that he believed the agency system has felt a challenge to its activities in the national defense program and agents came to the meeting to find out what they could learn and to learn something more about the business in rendering service and serving the public.

T. A. Fleming's Talk

Methods of handling the various types of explosive bombs and the important part the insurance business plays in the national defense effort through the National Board were stressed by T. A. Fleming, its director of conservation. Mr. Fleming referred to the long article recently carried in a Des Moines newspaper on R. W. Forsyth, president of the National association, as indicating the public attitude toward an agent who is

typical of the highest standards of the business. There is all the difference in the world, Mr. Fleming said, between writing policies and writing protection. He said the insurance agent represents the most stable man in his community. He said the majority of commercial transactions in the United States are carried on credit, which cannot exist without adequate insurance. The agent should look into the credit of every assured to see that he is covered with adequate insurance.

He pictured vividly the dangers to which a city such as New York is subject from a bombing attack. Bombs which fell on London, Coventry and Birmingham could just as easily fall on New York, he said.

Mr. Fleming said that there are five sections in the civil defense program and urged agents to take an active part. The fire sections takes up 45 to 50 percent of entire activity. Others are the police, medical, utility and transportation sections. He said each agent should take an active part in some phase of this work. More people were hurt in fighting fires in London than killed in air raid attacks.

One of the common types of bombs is the incendiary bomb, which is composed of magnesium, aluminum and thermite.



YOUR GENERAL AGENT

He is not your competitor, but instead, as a good neighbor, is always ready to help YOU as a LOCAL AGENT. He covers his territory thoroughly, is familiar with local conditions, and invites you to call upon him for cooperation or assistance.

ARKANSAS

Coates & Raines, Inc.
Little Rock

L. B. Leigh & Co.
Little Rock

COLORADO

Braerton, Simonton, Brown, Inc.
527 Gas & Electric Bldg.
Denver

Daly General Agency, Inc.
Established 1923
Capital Life Building
Denver
Colorado—Wyoming—New Mexico

Ritter-Monaghan General Agents

FIRE—SURETY—CASUALTY
855-62 Gas & Electric Building
Phone CHerry 7451
Denver, Colorado
Colorado—Wyoming—New Mexico—Utah

KANSAS

Kansas Underwriters
Wichita
Kansas—Oklahoma—Missouri

KENTUCKY

Bradshaw & Weil Gen. Agcy. Co., Inc.
Louisville

W. B. Respass General Agency

Citizens Bank Building
Lexington, Kentucky
Kentucky—Tennessee

MISSOURI

T. W. Garrett, Jr., Gen. Agcy. Inc.
City Bank Bldg.
Kansas City, Mo.
Missouri, Kansas, Oklahoma, Texas, Illinois, Tennessee, Mississippi

OKLAHOMA

R. W. Drake & Company
Complete Insurance Facilities
Oklahoma City

• Know the General Agent in your locality. Write the office nearest you.

It is usually about nine inches long with a five-inch tail and weighs two pounds, two ounces. A plane will carry from 1,000 to 2,000 of these bombs. About one-tenth of the bombs dropped are effective. They have a velocity of 350 feet per second, which is usually not sufficient to permit them to penetrate further than an attic. They are composed of 92 percent magnesium and 8 percent thermite, aluminum dust and iron oxide. When the bomb strikes, a pin pierces its cap and thermite is set on fire. It burns at 4,000 degrees Fahrenheit. This ignites the magnesium, which burns 15 minutes at 2,500 degrees Fahrenheit. As the magnesium burns, it throws molten iron for a distance of 30 feet. One out of 10 of the bombs has a smaller bomb which is sent off by the burning magnesium after about 30 seconds. The bomb must be disposed of in the first 30 seconds or after two minutes have elapsed.

Equipment for the Home

The first step in combatting these bombs is to clean the attic. He remarked that if every attic in Connecticut was cleaned and straightened up, it would be a fine thing in itself. A three-inch layer of sand is then spread on the floor of the attic or else corrugated iron is used, which has a layer of rock dust. Standard equipment for each home is a long handled shovel and a bucket looking something like a coal scuttle with about three inches of sand in it. In fighting a bomb, an asbestos suit or an ordinary blanket which has just been immersed in water should be worn for protection. Water cannot be used in fighting this type bomb because oxygen is taken out of the water by it, leaving only hydrogen, which is one of the most explosive gases.

Another type of bomb is a land mine, which weighs from 250 to 500 pounds and comes down on a parachute. These are set off by a trigger, acid, or a clock and will level buildings within 600 feet. Still another type of bomb is the TNT bomb, which may dig a crater 36 feet deep. When the bomb explodes, it creates gas 13,000 times its original volume.

National Board Contribution

Mr. Fleming cited some of the contributions which the insurance companies represented in the National Board made in the war effort 20 years ago. Trained National Board men are working with the war department and navy and aviation officials and are giving advice on construction and waterworks. Some of the major contributions which the National Board Companies have made are the national electric code; the building code, which is now used in 88 universities as text material on construction, and the activities of the Underwriters Laboratories, which affect the lives of every one in the daily routine of living. One of the recent problems which the Underwriters Laboratories has solved is the anchorage of gasoline storage tanks so that they cannot be overturned by floods such as occurred at Cincinnati in the Ohio river flood of 1937.

Ackerman Conducts Quiz

A highlight of the meeting was "Insurance Information Please!" under the direction of L. J. Ackerman, dean of the school of business and professor of insurance, University of Connecticut. Although the program had not been rehearsed, the "quiz kids" did their stuff so well that it was difficult to find a question which could stump them. The "quiz kids" were: Val White, Hartford Accident, Hartford; W. T. Faulkner, claims attorney London Guarantee, New Haven; R. L. Fosbrink, bond manager R. C. Knox Agency, Hartford; E. F. Jordan, marine state agent Automobile; A. L. Martin, state agent Aetna Fire; H. J. Steeneck, special agent Home. Prior to the meeting, any one planning to attend was permitted to send in a question for the experts to answer. If the experts could not answer the question the originator of the question was entitled to collect \$1. A real cash register was installed on the rostrum to give an added air of authenticity, but only two

Best's Analysis of Operating Expense of Companies

The A. M. Best Company in making an analysis of operating expenses of fire and casualty companies says that the stock companies expenses have been the subject of considerable comment for some time, particularly in the fire field. It finds that the rapidly rising volume, coupled with important trends in premium makeup, has altered the picture considerably. The 1940 expense ratio was 46.2 percent for the stock companies, the lowest since 1929. There was a reduction in each main item of expense, even in taxes. The total premium volume, Best's says, for 1940 had not quite reached the 1929 peak and fire premiums which shrunk sharply in amount dropped in relative importance from 72 percent to 50 percent of total business between 1929 and 1940, while automobile and ocean marine lines doubled to reach approximately 23 percent and 10 percent respectively of the 1940 volume.

Best's says that operating expense ratios in the stock casualty field have been remarkably steady for a number of years, deviating from a high of nearly 42 percent in 1932 to a low of just over 38 percent in 1936, but averaging about 40 percent for the last 15 or 20 years. The 1940 casualty ratio was 40.9 percent. Just about half of the total expenses in the casualty field represents commissions and allowances to agents. The average commission rate in the fire field is five points higher, representing approximately the total difference between stock fire company and stock casualty company expenses.

Accountants Association Plans for 1942 Meeting

Record attendance of more than 300 is expected at the 1942 annual conference of the Insurance Accounting & Statistical Association to be held in St. Louis April 23-24. This will be the association's 14th anniversary.

It is composed of accountants and statisticians representing life, fire and casualty companies, and has grown from a small organization originally sponsored by a group of Illinois life companies to a membership of 167 companies.

There will be separate sessions for life, fire and casualty. J. P. Walker, Jr., Southland Life, presiding over the life section; C. S. Jones in charge of fire, and F. I. Hooper, Continental Casualty, handling casualty.

I. H. Wagner, controller Business Men's Assurance, is chairman of the 1942 exhibits committee. G. D. Gurley, Royal Neighbors, is chairman of the publication committee, and E. F. Cooley, Prudential, of research.

Officers include: B. H. Miller, State Farm Life, president; F. H. Eyler, General American Life, vice-president; R. A. Clark, Farm Bureau Life, secretary-treasurer, and R. L. Hughes, Guarantee Mutual Life, assistant secretary-treasurer.

submitting questions were able to collect.

In the ordinary course of things, D. A. North, New Haven, vice-president, would have been elected president. However, because of the duties incurred by his election to the vice-presidency of the National association at the Kansas City meeting he asked to be relieved of this responsibility in connection with the state association.

Regional vice-presidents are W. W. Hatfield, Bridgeport; J. K. Pratt, Waterbury; L. W. Whitney, Winsted; A. M. Wilson, Putnam; D. W. Lanouette, Wallingford; Charles Dayton, Greenwich; E. J. Daley, Middletown, and L. H. Arnold, Willamantic.

Iowa Scholarship Program Set Up

DES MOINES—Plans for setting up the Farm Underwriters Association's rural youth scholarship program were discussed at an all-day conference here at which an Iowa committee was formed, the first state unit.

Among those attending were R. W. Forshay of Anita, Ia., president National Association of Insurance Agents; Alex H. Case of Marion, Kan., chairman National Association rural agents committee; Edward H. Born, Chicago, secretary, and Carl Bloom, chairman publicity committee, Farm Underwriters Association; Arthur Dinwiddie, Bedford, Ia., chairman Iowa rural agents committee; John Strohm, state fire marshal; Andrew Ingram, Iowa special agent National Fire; C. S. Cathcart, state agent Home; Ralph Martin, special agent Fireman's Fund, and Ed. Hopkins, Des Moines, public relations counsel.

Ingram Named Chairman

With Mr. Ingram as chairman and Mr. Cathcart as secretary, a committee was formed to carry out the program in Iowa. Similar groups will be estab-

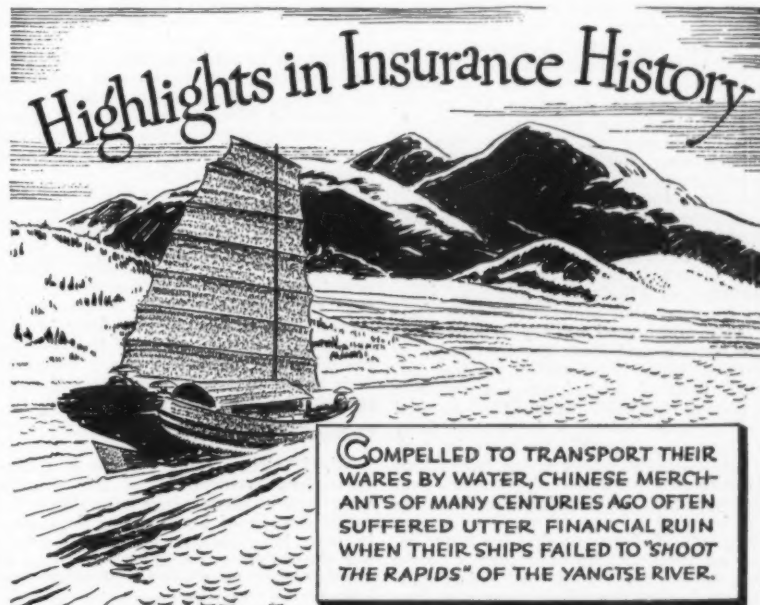
lished in the other 14 midwestern farm states to come under the program.

The program calls for awarding 64 scholarships, ranging in value from \$100 to \$250, by the Farm Underwriters Association to farm and rural youth, members of 4-H clubs.

The need to improve rural fire departments was discussed. Iowa is one of the few states with a clear-cut enabling act which provides that a 60 percent vote of the citizens of a city or town can invoke a one-mill tax for fire fighting equipment. Several of the Iowa cities have taken advantage of the act which was liberalized by the last legislature.

John E. Dearden Resigns

John E. Dearden, vice-president and treasurer of the "United States Review," has resigned. Robert R. Dearden III, president, was appointed acting secretary and Edward C. Dearden, Jr., vice-president, will be acting treasurer. Robert R. Dearden III and John E. Dearden are sons of the late Robert R. Dearden, Jr., former head of the company, and grandsons of the founder. Edward C. Dearden, Jr., is also a grandson of the founder. John E. Dearden has been associated with the "United States Review" for over 23 years, handling sales and directories.



Highlights in Insurance History

COMPELLED TO TRANSPORT THEIR WARES BY WATER, CHINESE MERCHANTS OF MANY CENTURIES AGO OFTEN SUFFERED UTTER FINANCIAL RUIN WHEN THEIR SHIPS FAILED TO "SHOOT THE RAPIDS" OF THE YANGTSE RIVER.

As a result they devised an ingenious method of distributing hazards of shipment. One hundred boats, each carrying one hundred packages, were stopped at the source of the dangerous rapids, while each merchant put one package on each of the boats. Thus, when a boat went down, the merchants lost only one package apiece, instead of one merchant losing his entire cargo.

The ancient Chinese distributed risks by actual distribution of property, achieving the same results as modern insurance policies. Only the system has changed, providing sounder, more economical and satisfactory protection against

the hazards to property that are a constant threat to all. The successful agent makes his job easier and more profitable by representing a company that has proven its strength, dependability and desire to cooperate at all times!

National Union

and Birmingham

FIRE INSURANCE COMPANIES

PITTSBURGH • PENNSYLVANIA



California Agents Stress Education

(CONTINUED FROM PAGE 1)

tration report of President Perk. These topics included the new project of assisting local associations to become more important factors as civic bodies in their respective communities with "long pull" results to members and the stock insurance business. Another was extension of the facilities of the Insurance Institute of California which will be stimulated by the personnel of the special agents' associations in California, the members of which have spent the past two years in training as lecturers on some 35 subjects pertaining to the business, including public contacts, sales technique, and various lines of coverage. The special agents will also give instruction to the local association members in public speaking.

Aside from the set papers, most of the convention was devoted to these various planks in a sound business production and public relations platform.

Perk's Administration Report

Following greetings from Mayor Monk and John L. Kingsbury, president Sacramento Insurance Exchange, President Perk presented his report.

Membership has increased to 1,406, representing more than 7,000 persons throughout the state, and the association continues to hold its position as the largest state body in the National association, Mr. Perk said. Finances are also in a sound condition, with local associations using the "three-way" membership plan voted at the last convention.

Vetoing of the so-called "fictitious fleet" measure by Governor Olson Mr. Perk referred to as a "major disappointment," pointing out that "this type of underwriting fleets of automobiles in groups, with its inevitable slopping over into other lines of business, had reached such proportions that it was deemed advisable to bring about some curb and correction." Agents are hopeful, he said, that underwriters will recognize the importance of eliminating practices from the business that undermine public confidence and sound agency relationships and morale, and leave the companies in an absolutely indefensible position toward assured who have not received a rate as favorable as another assured with a similar hazard to be protected.

Financed automobile business, he said, is "an indigestible rock in the stomach of the insurance business." The most effective approach to securing this business has been up to now through education by agents of clients so that the latter insist on their writing insurance. To do this, agents must keep the subject constantly before the client, or reach him before the purchase contract is signed.

A feature of this session was the appearance of Fred A. Moreton, Salt Lake City, executive committeeman of the National Association of Insurance Agents. He explained the "V-Plan," and salary deduction for purchasing defense stamps and bonds.

S. L. Weinstock, deputy insurance commissioner of California, said that 25 years ago premiums in the state totaled less than \$54,000,000, now are more than \$400,000,000 annually. He asked the co-operation of agents in reducing violations of the insurance code.

Greetings from Other Groups

Greetings were presented by several organizations. N. J. Mulvihill, Swett & Crawford, pledged continued support from the Special Agents' Association of Central-Northern California. A. H. Bonstin, Swett & Crawford, president of the group, explained activities aimed at helping agents.

Carl N. Homer, president of the California Association of Insurance General Agents, deplored the increasing number of company pools or associations, and said this trend toward direct writing may ultimately eliminate the entire commission to the local agent.

John G. Levison, chairman of the board of the Society of Insurance Brokers, asked for more adequate public relation efforts on the part of the companies, even if huge expenditures are necessary. Mr. Levison, who is the son of J. B. Levison, board chairman of Fireman's Fund, and a member of the Levison Bros. brokerage firm in San Francisco, urged institutional advertising of a dramatic type on a nation wide scale. Some such effort must be made to win back lost public confidence.

Since 48 insurance commissioners now are regulating the methods of operation of agents, brokers and companies, the business is already probably regulated and controlled more than any other, and he questioned the real object of those urging further regulation.

Admitting there are evils and inefficiency in the insurance business as well as in other lines of endeavor, C. D. Lasher, secretary Home of New York, and president of the Pacific Board, urged cooperative effort toward correcting such shortcomings before being forced to do so by restrictive laws "which may not be to the benefit of the assured, for whose protection they are intended. It is better to regulate ourselves than to have it done by outsiders."

College of Insurance Urged

W. G. Rich, president of the Fire Underwriters Association of the Pacific, suggested in his message of greeting the establishment of a college of insurance in every large insurance center throughout the country, under the auspices of and directed by the executives of fire, casualty and marine companies, the faculty to consist of full-time salaried instructors.

Charles E. Currey, president Southern California Fire Underwriters Association, told how members have taken public speaking courses to become better equipped to appear before agents' meetings. E. L. Hedemark, president,

brought greetings from the California Casualty Fieldmen's Association.

Afternoon of the first day was devoted to the Business Development Office program for sales efficiency, with the theme "Production Clinic—X-rays by Doctors of Insurance." John T. Breckon, assistant director of the B.D.O., San Francisco, presided, assisted by C. R. Currey, president Southern California Fire Underwriters Association; W. P. Welsh, Pasadena, past president of the California association; Brooke Sawyer of Redlands, and H. A. Drinkwine, Inglewood, both directors of the association, and R. C. Fischer, Oakland.

Tuesday morning was devoted to an executive session for agents only, presided over by Mr. Hendren. Special agents held a two-hour business session in this period.

On Tuesday afternoon group sessions were held on agency production, management and operation. H. B. Scudder, Sebastopol, presided over the section

for agents operating in rural and suburban areas; R. J. White, Los Angeles, at the session for agents operating in metropolitan areas. Both groups discussed competition with automobile writing reciprocals.

The past presidents' dinner was held Tuesday night.

Wednesday sessions opened with an address by Herbert Kirschner of Kirschner & Co., San Francisco, on "Vitamins for Local Agency Advertising." Mr. Kirschner outlined business building ideas of practical value to local agents along advertising and direct-mail lines.

Demmon on Burglary

In a detailed discussion of burglary lines, Donald E. Demmon, Vallejo, said that the new national defense tax on luxuries such as jewelry, furs, cameras, sporting goods, etc., is only one of several factors which may result in a greater demand for stolen goods and a stimulation of theft. Prices are rising,



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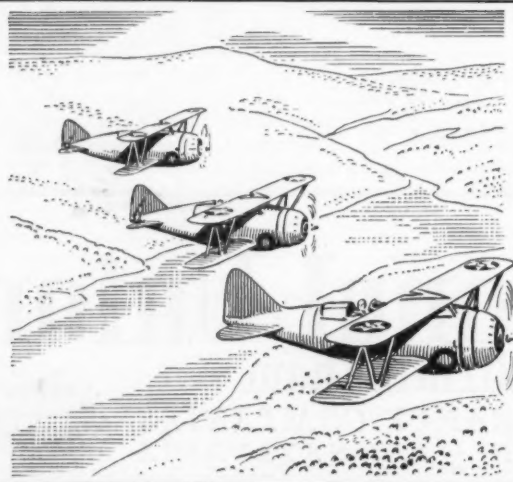
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THOMAS WATTERS, JR., New York City



FRED A. MORETON, Salt Lake City

production is being curtailed in consumer goods lines, and there is a growing scarcity of materials in various fields. With this kind of a situation the need for burglary coverage is apparent, he said. Because of the scarcity of materials, many firms have laid up stocks before price advance and this stock needs protection through a mercantile open stock form, he said.

"Time Control in the Agency Field" was discussed by Howard Neal of Neal & White, Los Angeles.

The annual meetings of the California Association of Insurance Agents, a corporation, and its educational subsidiary, the Insurance Institute of California, were held Wednesday noon.

The Wednesday afternoon session opened with a talk on "U. & O. in Relation to Present Economic Conditions" by A. H. Bonstin, New York Underwriters, San Francisco.

A high point of the Wednesday session was the discussion of "The Impact of Federal Legislation Upon the Local Agent" by Thomas Watters, Jr., of Watters, Cowen & Baldrige, New York City. He reviewed in detail the effect of the revenue act of 1941, and suggested that the agent might well have a working knowledge of it not only for his own use, but in case opportunity presents itself to pass on the information to assured. He also discussed the wage and hour act, priorities, social security, taxes, unemployment insurance, installment credit regulations and price control.

Increased Buying Power

One effect of defense, Mr. Watters said, is the increased purchasing power for all kinds of insurance. Cash farm income, it is estimated, will exceed \$13,000,000,000 next year, which means that the farmer will be in the market for both goods and insurance. Wages, particularly in manufacturing, are rapidly increasing and wage earners and their families are acquiring increased purchasing power.

Meeting Auto Competition

The Wednesday forum on "What Can Be Done About Meeting Competition for Automobile Insurance" was led by Mr. Callis for the producers; R. F. MacFarland, Santa Barbara, representing the premium payer, and Mr. Perk, who acted as judge. Assisting were: Laurence Canfield of Santa Cruz, Elmer White, Neal Harris, and Preston E. Snook of Oakland; Mr. Carpenter, Mr. Hendren, and H. H. Christensen, American Trust Co., San Francisco.

The convention officially closed Wednesday evening with a brilliant banquet in the Governor's Hall at the State Fair Grounds. Newly elected officers were installed by Harry R. Schroeter of Oakland, who served as president of the

state association in 1927. Oath of office was administered by Neil Cunningham, deputy attorney-general of California.

Among those attending the convention was Lieut. Robert E. Battles, son of Eugene Battles of Los Angeles. Lieut. Battles is stationed at Ft. Ord. A reserve officer since his college days, Mr. Battles was associated with his father for four years before assuming active duty with the army.

Entertainment for the buffet supper Sunday evening at which presidents of local associations were honored guests, was furnished by various delegates to the convention. Among these were Mrs. Herbert E. Manners, whose husband, Herbert E. Manners is general manager of the National Automobile Club, and Mrs. D. F. Ferguson, general chairman of the ladies convention committee.

Among the former presidents of the association on hand for Sunday evening supper were: Eugene Battles, Los Angeles; William H. Menn, Los Angeles; H. J. Thielen, Sacramento; P. S. W. Ramsden, Oakland; W. P. Welsh, Pasadena; N. B. Sweet, Fresno; H. I. Callis, Santa Barbara; Francis McDowell, Riverside; E. R. Pickett, Sacramento; G. C. Appleton, Fresno; H. R. Schroeter, Oakland; C. T. Buckman, Visalia; and Elmer White, Oakland.

About the time Mr. Hendren was be-

ing presented with the gavel signifying his election as president of the association, Mrs. Hendren was presenting him with a baby girl, Julie Anne Hendren. Advance registrations for the convention totaled more than 250.

New Defense Booklet Available

The Insurance Committee for the Protection of American Industrial Plants has sent out a booklet, "Protection of Industrial Plants and Public Buildings" in connection with the U. S. Office of Civilian Defense. Wide distribution of the pamphlet is desired and copies can be obtained without cost

from the National Bureau for Industrial Protection, 1522 "K" street, N. W., Washington.

The booklet outlines the plan for setting up a protective organization, forming a plant fire brigade, medical services to employees, police services, a list of equipment for fire watcher stations. It recommends that each plant have a fire organization consisting of a main observation post, and additional posts, if necessary, over the entire area. Protective fire watcher posts should be in an elevated position to cover local buildings with high fire risks or buildings vital to production.

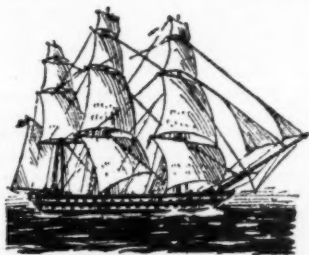
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EDITORIAL COMMENT

State Association Programs

In this issue of THE NATIONAL UNDERWRITER the long run of conventions of state associations of insurance agents comes to a close so far as the major gatherings are concerned. There will still be some midyear and regional meetings, schools, etc., but the great parade is over.

THE NATIONAL UNDERWRITER has covered every state meeting either with one of its own staff, or a correspondent or a special writer. The work of properly looking after these state meetings occupies almost all the time of one person. The news gathering and editorial work in connection with these conventions constitute an arduous task. A trade newspaper that handles these gatherings intelligently and successfully must expend a considerable sum of money. In days gone by the news or educational value of state meetings would not justify the time and expense as seen today. There has been great improvement in these conventions.

Only a few years ago a state meeting consisted of set addresses, most of them dry and uninteresting. They dealt largely with platitudes. Time was consumed in attacking branch offices and a few other controversial issues with the companies. Now these conventions assume the style of a teachers institute. Teachers go back to school to keep abreast with the times at their institutes. The insurance men are returning to take a post-graduate course in

their business, bringing them up to date on all lines.

Heretofore a man with great complacency concluded that he knew about all that was necessary for him to get along and hence cared little about refreshing his service with new ideas. He was content to go along as in the good old horse and buggy days. Now state conventions are largely educational and informative. Conventioneers have to think and work. They attend these meetings to keep up with the times and absorb information, get new ideas and strengthen their service giving machinery. Now there is much thought given to the forming of state programs. Work begins months before the meetings.

The agents today realize that unless they do improve their service and become more alert in handling their business they will lag in the procession. The agents throughout the country who are exhausting every opportunity to learn what is going on and how and when to do things, are coming rapidly to the fore. To diagnose properly the insurance needs of their clients and apply insurance contracts satisfactorily calls for not only a high order of talent but a continuous study of the business in order to give clients full value of modern protection. It is heartening to see the spirit of these state meetings and to realize that they are contributing so much to the progress of their members.

Increase in Rural Fatalities

ONE of the significant features of the annual report of the National Safety Council for 1940 in reviewing the accident record is the 9 percent increase in rural automobile fatalities. This figure far exceeded that shown in other population classifications. Some of the fatalities were people from urban centers traveling on the country thoroughfares and yet the majority of those killed or injured were rural residents.

In days gone by the automobile owner residing in agricultural areas who did not drive to any extent in the city felt comparatively safe from accidents. How-

ever the fine roads entice the country people far from home. The city folks, too, drive at a rapid rate in the country. There may not be city congestion but there are hazards peculiar to the countryside.

The country motorists as a class have not been buyers of insurance but with the mounting rate of accident severity and frequency they are brought face to face with an increasing peril. We have spent much time in devising accident prevention methods for the cities. The rural territory evidently now courts attention.

The Philosophy of Work

PRESIDENT Charles F. Williams of the Western & Southern Life of Cincinnati makes this very interesting observation: "In all my experience I have never known a hard worker who was not successful. Workers don't fail; failures don't work." That is a very graphic

and impressive observation. One might question the statement that hard workers always meet with success. Sometimes a man may be very industrious and yet show little judgment in what he is doing. That is he may be perfectly conscientious and yet he may be

trying to put square pegs in round holes.

However what President Williams does do is to emphasize the characteristics of work as one of the mightiest forces towards success. We may have

carried streamlining a long ways. Sometimes it seems as if we were pushing the work habit back. If so it is a tremendously tragic mistake. A man must work to achieve anything. Idleness means rust and decay.

PERSONAL SIDE OF THE BUSINESS

W. H. Abbott of the Thomas A. Bigger agency, Kansas City, Kan., is the father of a baby girl named Nancy Jane. This is the Abbotts' first child.

The election of **David A. North** of New Haven, Conn., who is head of North's Insurance Agency, as vice-president National Association of Insurance Agents brings to mind a rather remarkable situation that has found four generations in the same business office. John G. North founded the agency in 1843, he being the great grandfather of David A. North. John C. North followed him, he being president of the National Association of Insurance Agents in 1903 and David's grandfather. Then came John Richard North, father of David A., who was better known as J. Richard and familiarly known as "Dick" North, so David A. North came into the scene as a member of the fourth generation. His father died while attending the mid-year meeting of the National Association of Insurance Agents in Richmond, Va., some years ago.

W. S. Whitford, executive vice-president of the Millers National and Illinois Fire of Chicago, and Mrs. Whitford, from their Evanston home announce the engagement of their daughter, Miriam, to Lieut. P. H. Heinz, Jr. of the U. S. marine corps, Quantico, Va. Lieutenant Heinz is the son of Judge Paul Heinz of Topeka, Kan. Both the young people are graduates of Kansas University. The wedding will take place in the early spring.

Vincent L. Gallagher, assistant U. S. manager of Pearl, is on an extended agency trip. He spent the week-end with W. A. Earls, Cincinnati, a prominent Pearl agent, and Mr. Gallagher's brother-in-law.

R. G. Turner, Atlanta, assistant secretary America Fore group, has just completed a tour of Texas agencies with field men of the group.

G. G. Beamish, world secretary of London Assurance, is returning to England in a few days. Mr. Beamish has been in this country and Canada for more than a year and has become very familiar with conditions on this side of the water. He has made a great number of friends in the business here and has been a featured speaker at several insurance gatherings including the banquet at Pittsburgh Insurance Day and the annual meeting of the Maryland Association of Insurance Agents.

A. F. Bechtel, veteran local agent of Hiawatha, Kan., celebrated his 92d birthday by walking to his office, delivering a half dozen fire and casualty policies, collecting for a couple, and otherwise carrying on his business as usual. Mr. Bechtel told a friend that a score of years ago he used to sell some life insurance now and then, but that he was such a poor advertisement for ordinary life, the policy for which he

had the greatest call, that he decided to turn his entire effort to the fire and casualty field. Recently Mr. and Mrs. Bechtel celebrated their 63th wedding anniversary.

William Deans of the general agency of Selbach & Deans, president of the National Automobile Club, at the request of the donor, presented the Wellman award for bravery, in radio ceremonies in San Francisco, to Burt Worley for rescuing a woman and man pinned beneath a burning automobile when all others had despaired of success.

K. T. Duryee of the Duryee & Reese agency, Seattle, has been awarded the J. Maurice Thompson archery medal for 1941 in recognition of the most meritorious service to the sport of archery in the United States as "craftsman, organizer, teacher and worker."

At its annual convention the Mortgage Bankers Association of America elected **W. E. Harrington**, Atlanta, a vice-president. Mr. Harrington is a former president of the National Association of Insurance Agents and spoke at the annual convention in Kansas City this year. Mr. Harrington is a member of the Spratlin, Harrington & Thomas agency and also is serving the Paramount Fire of New York in an advisory capacity.

One of the outstanding sporting and charitable events in Atlanta is the Thanksgiving Day football game between the freshman teams of the University of Georgia and the Georgia School of Technology, for the benefit of the Crippled Children's Hospital of the Scottish Rite. The originator of the local classic, and one of the men who has worked untiringly with it for the last six years, is **Frank Spratlin** of the Spratlin, Harrington & Thomas Agency. This year Mr. Spratlin's duties included a part in the sale of tickets and he reports an advance sale of more than 12,000.

DEATHS

Miss Ella Pfeil, widely known among Wisconsin insurance men through nearly 25 years association with the Milwaukee Board of Fire Underwriters, Milwaukee Casualty & Surety Board and Wisconsin Association of Insurance Agents before her retirement about three years ago, died at her home in Milwaukee.

C. G. Van Arsdale, 70, of the Van Arsdale & Larkin agency, charter member of the Wichita Association of Insurance Agents and a resident of Wichita for 41 years, died there following a brief illness. He was for many years vice-president of the Van Arsdale-Osborne Brokerage Co., St. Paul F. & M. hail general agents in Wichita, and had been associated with the St.



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Paul from 1900 until 1916 when he formed his local agency with Allen R. Larkin.

Allan Miss, 54, who for many years was manager of the St. Paul office of Western Adjustment, died. He was a past president of the Twin City Adjusters Club and widely known among insurance men. Ill health forced his retirement from active work last July. He joined Western Adjustment at Eau Claire, Wis., in 1923, opening the branch there, then was transferred to St. Paul as manager. Since his retirement, E. I. Peters, formerly assistant manager at Minneapolis, has been St. Paul manager.

W. P. Hill, 58, secretary of Virginia Fire & Marine since 1930, died at his home in Richmond, Nov. 6. Death was attributed to a coronary ailment. He had never fully recovered from a stroke he suffered about two years ago. He was at his office the preceding day. Starting with the company when a youth just out of school, 1901, he worked up from office boy to secretary. For many years he was a special agent.

H. D. Soule, 53, president of the George D. Soule & Son agency, Whitman, Mass., secretary-treasurer of the Whitman Mutual Federal Savings & Loan Association and one of the organizers of the League of New England Savings and Loan Associations, died at his home.

A. C. Mauel, 68, for 30 years operating a local agency with his brother, J. G. Mauel, in Lincoln, Neb., died there. His brother died three months ago.

John L. Pickens, 74, for many years in the field in Oklahoma for St. Paul Fire & Marine, is dead. He joined the St. Paul in 1915 and retired in 1933, since which time he had made his home at Enid, Okla.

P. A. Hodges of Raleigh, N. C., father of Mrs. Payne H. Midyette, Tallahassee, Fla., wife of the chairman of the National Association of Insurance Agents executive committee, died at his home. In addition to the widow, and Mrs. Midyette, two other children survive. Mr. Hodges was a retired banker and farmer.

Herbert Halsted, local agent at Baraboo, Wis., died at St. Joseph's hospital in Alton, Ill., from injuries received in an automobile accident. With Mrs. Halsted he was en route to Los Angeles to spend the winter. The couple celebrated their golden wedding anniversary last year.

D. H. Richard, 81, retired local agent of Cuyahoga Falls, O., died there.

Mrs. Fred H. Sabin died at Charlotte, N. C., last week from the result of an operation. She resided with her daughter there. The body was taken to Chicago and buried in Oakwoods Cemetery. Her husband was well known especially in the west. The Sabins were located in Oshkosh, Wis., and then went to Minneapolis where Mr. Sabin traveled for the North British & Mercantile. Later he became assistant western manager of the Pennsylvania Fire and then went to Detroit to become an official of the Interstate Fire which was taken over by the North British. At the time of his death he was associated with the North British head office in New York City. Mrs. Sabin was a daughter of the late H. C. Eddy, western manager of the Commercial Union, and a sister of George M. Eddy, well known Chicago broker.

H. M. Power, Veteran Chicago Agent, Dies

Harry M. Power, 67, partner in the Waidner, Power, Zweig & Lasch agency in Chicago, died Nov. 11. He had been in insurance in Chicago for more than 40 years. Following a period in the agency business, he joined Hanover as special agent in Cook county, a position he occupied for several years.

He then went with the Law Brothers agency as a partner. After 20 years he resigned from the firm and with his associates formed Waidner, Power, Zweig



"I don't mind your secretary taking notes for you, Hanson, but at least,—don't be a disturbing element!"

Retired Executive of Milwaukee Company Dies



GUSTAVE GROSSENBACH

Gustave Grossenbach, 90, retired vice-president of the Milwaukee Mechanics, with which he started his business career in 1870, died at his home in Milwaukee after a year of failing health. He became assistant secretary of the company in 1889, secretary in 1898, second vice-president and director in 1901 and first vice-president in 1919. In 1920 he was honored on the occasion of his 50th year with the company, the banquet being attended by representatives from all parts of the country. He retired from Milwaukee Mechanics, now a member of the Firemen's group, in 1929.

& Lasch in 1929. Although he was quiet and not a "committee man," he was widely known in the insurance business. The funeral will be held at 1 p. m. Thursday from Lane's, 5301 North Ashland, Chicago.

The Insurance Check Chart helps to detect hazards. Get a copy for 75 cents from National Underwriter.

CALLED TO SERVICE

Walter T. Davol, formerly special agent of Aetna Casualty in St. Louis, is now in Company K, 2nd Q.M.T.C., Camp Francis E. Warren, Wyo.

Lieut. R. T. Nelson, Jr., son of R. T. Nelson of the Illinois insurance department, has been assigned to the 5th cavalry at Fort Bliss, Tex. Lieutenant Nelson enlisted as a private last fall in the famous Black Horse troop of the 106th cavalry, when the Illinois national guard was mobilized. His work won him an appointment to the cavalry school at Fort Riley, Kan., where he recently received his commission. He is a graduate of Knox College.

T. J. Mosier, Indiana special agent of Crum & Forster, has been called to service. His address is 6th Training Battalion, Company A, 4th Platoon, Camp Wheeler, Ga.

J. K. Olson, Newark special agent of Fire Association, has been called to service with the naval reserve.

K. C. Companies Honor Scheufler

KANSAS CITY—Officers of all insurance companies of Kansas City gave a dinner in honor of Superintendent Scheufler of Missouri. All companies were represented at the dinner.

The **Sioux Falls Blue Goose Luncheon Club** met Monday with an attendance of 25. Gerald Larson, new membership secretary of the Y. M. C. A. in Sioux Falls, spoke. Plans were discussed for the annual Christmas party.

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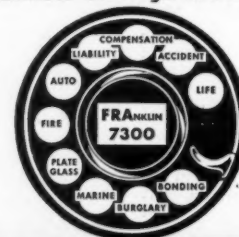
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Winters Heads Illinois Association

Youthful Motorist Problem Studied as Compulsory Threat

Moser Gives Shocking Figures and Proposes Action to Meet It

In the opinion of many leaders of the Illinois Association of Insurance Agents, one of the most serious threats on the horizon may be the unwillingness of companies to write automobile insurance where youthful drivers are involved. The insurance department has already conferred with the companies on this matter. President Lyle H. Gift pointed this out in his report and many agents voiced agreement with his fear that this may cause political repercussions and eventually a renewed drive for compulsory insurance. For this reason, there was unusual interest in the talk of Henry S. Moser, prominent Chicago attorney, on this subject at the Friday breakfast conference at Peoria.



H. S. Moser

Pointing out that the accident figures on young drivers are shocking, Mr. Moser said that the basic problem is not loss of commissions, nor of protecting young drivers from financial loss, but of preventing them from killing and maiming the population.

Offers Suggestions for Cure

The minimum age for a driver's license in Illinois should be increased from 15 to 18, providing at the same time for restricted licenses for minors 16 and over, authorizing them to drive only when accompanied by an adult or alone only while driving to and from school, Mr. Moser urged. Only six states other than Illinois issued unrestricted licenses to a youth 15 or younger. Minors between 16 and 18 are not necessarily unfitted to drive, but when they are driving alone or with others of their own age, they have a

Graded Costs Potent Blow to Direct Writers: Sawyer

"Stop advertising the mutual principle by loose talk about mutual competition and face the real issue—direct writing vs. the agency plan." In a logical, ably conceived address, E. W. Sawyer, New York, attorney National Bureau of Casualty & Surety Underwriters, brought this message to the Illinois Association of Insurance Agents. To it he added his solution—graded costs and retrospective rating.

Appeal with Lower Costs

It is the merest accident, Mr. Sawyer said, that in the casualty field the most successful direct writers are mutuals. This has clouded, but has not altered, the fundamental principle that direct writers appeal to the public with lower costs. This is brought about by eliminating the agent, and thus shaving acquisition expense factor by 15 to 18 percent. But it would be the same if stock companies wrote direct and reflected the savings either by participating policies or by a reduced initial premium.

Lower Cost, More Service

"It is not necessary," Mr. Sawyer said, "that the cost of insurance you sell meet the net cost of your direct writing competitors. But it is necessary that the cost be reduced to a point at which the insurance plus the services you render is a better buy for your client. The difference in cost may be attacked from two angles; first, by increasing the

tendency to exhibitionism and become a danger on the highways.

Another point in the program Mr. Moser outlined is to amend the Illinois drivers' license law to eliminate divided responsibility. Under the present act, the licenses are issued by the secretary of state; the examinations, except in Chicago, are given by the highway police who are charged with the enforcement of the act, and revocation of licenses are made by the courts. Mr. Moser said that the administration of the act is a failure, due to this divided responsibility.

Driver's License Law

Efficient administration of a driver's license law contributes a great deal to safety. Illinois has a population of less than 8,000,000, New York nearly 13,—

(CONTINUED ON PAGE 31)

New Illinois Committee Chairmen and Directors

Since the chairmen of standing committees of the Illinois Association of Insurance Agents constitute the board of directors, they are elected at the annual convention, instead of being appointed, as is the case with many state bodies. The chairmen and directors elected at Peoria last week were:

Casualty and surety, R. B. Ayres, Hinsdale; rural agents, R. A. Bastian, Hinckley; accident and fire prevention, W. P. Brown, Peoria; education and public relations, Wade Fetzer, Jr., Chicago; budget and finance, P. B. Hosmer, Chicago; grievance, H. H. Monier, Champaign; automobile, fire and marine, J. B. Oakleaf, Moline; legislative, W. H. Stewart, Chicago; rules and forms, N. M. McVey, Springfield.

Executive Vice-president E. F. Engelhard is automatically chairman of the membership and local board committees.

value of your services and, second, by reducing the cost of the insurance protection."

The most convincing argument for graded costs, Mr. Sawyer explained, should be that the direct writing mutuals are mortally afraid of it and have fought it at every opportunity. In some public hearings in the past, they have been assisted by agents of stock companies and thus succeeded in blocking this threat to their advantage. Now many agents have come to see the picture more clearly and support for this principle is growing in agency ranks.

After explaining the principle of graded costs, which includes a corresponding reduction of company expense factors, and retrospective rating, Mr. Sawyer pointed out that the retrospective rating plan for workmen's compensation insurance has been accepted in 36 of the 42 states in which private carriers may write this insurance and has been successful in each case. This, he said, should convince skeptics of the soundness of the plan.

Succeeds Gift at Harmonious Peoria Agents Convention

No Bitter Issues, Record Crowd Studies Future of Business

OFFICERS ELECTED

President — McCullough Winters, Quincy.

Chairman of Board—Lyle H. Gift, Peoria.

Executive Vice-president—E. F. Engelhard, Chicago.

Secretary — Lillian L. Herring, Chicago.

Treasurer—D. V. Moody, Elgin.

National Councillor—Alvin S. Keys, Springfield.

Regional Vice-presidents — William Laadt, Chicago; M. A. Read, Joliet; J. J. Beattie, Rockford; C. M. Nicholson, Decatur; W. P. Brown, Peoria; Casper Brown, Springfield; Al Ernst, Alton; John Dougherty, Cairo.

By JAMES C. O'CONNOR

McCullough Winters of Quincy was elected president of the Illinois Association of Insurance Agents at Peoria last week. This election, universally popular, closed a convention which broke all records for attendance, severely taxed facilities which have been ample in the past and which was featured by serious thinking instead of acrimonious issues.

The theme of the convention was "Insurance and the Insurance Agent of the Future." Nearly all the talks which the 500 registrants heard were concerned with problems of the agent during the war and its aftermath. This was particularly in evidence during the Thursday afternoon session, when C. H. Smith, Chicago, western manager Hartford Fire, and

(CONTINUED ON PAGE 30)



D. V. Moody

McCULLOUGH WINTERS, Quincy
PresidentLYLE H. GIFT, Peoria
Chairman of the BoardALVIN S. KEYS, Springfield
National CouncillorMRS. LILLIAN L. HERRING, Chicago
Secretary

Agent, Company Manager Look Toward Post-War Era

Wilson Calls Research Bureau Essential to Meet Challenges

With many businesses fearing and preparing for a serious depression after the war and with all signs pointing to government spending for the first few years of peace equal to that of the defense emergency, W. Owen Wilson, Richmond, Va., past president National Association of Insurance Agents, told the Illinois Association of Insurance Agents that the insurance business must face facts and solve its problems with an eye to the future.

There was much interest in Mr. Wilson's talk, since it marked his first public appearance outside of his home state since he went out of National association office in 1937. He said that local agents had lost a great opportunity for the insurance markets created by government activities and that the tendency to ignore vital developments such as this must be checked.

Woodworth Trophy Winner

This statement of Mr. Wilson's was particularly significant, as observers recalled that he had won the Woodworth Memorial award of the National association for outstanding service to insurance in 1939 because of his work in keeping insurance on properties mortgaged to the Home Owners Loan Corporation in agency hands.

Mr. Wilson opposed legislation as the answer to agents' problems, although it may have been justified occasionally in the past. Agents, he said, should join with companies in trying to reduce taxes and remove discrimination between carriers. Even more important, he said, is the demand of the public for broader and more flexible forms.

Need Research Bureau

Admitting that the jurisdictional bodies of the insurance companies have done outstanding work in stabilizing the business, Mr. Wilson said that the slowness with which they move has been costly. He cited an example told by an insurance editor in which an agent requested a form which was entirely justified, but the agent was dead when the form was approved three years later.

All of this, he said, indicates insurance needs some sort of research organization to collect, correlate and disseminate facts for the benefit of the institution and the public. The insurance business must be more realistic. Such a research body should be free and independent, he said. Its job should be a long range one, designed to improve public relations, modernize the product, ascertain causes of irritation and grievances and suggest ways and means of removing them.

Mr. Wilson commented on the growing tendency toward high pressure salesmanship, with an undue proportion of convention programs in this direction. Just as important is to service accounts on the books, because a customer lost through neglect is of doubtful advertising value.

Mr. Wilson was not overly enthusiastic over the "V plan" for insurance introduced at the Kansas City meeting of the National association. He said if it can be used to bring an earnest desire for practical approach to present and future problems and a determination hon-

Smith Says Business Is Sound, But Each Must Justify Place

C. H. Smith, Chicago, western manager Hartford Fire, made a noticeable impression on the Illinois Association of Insurance Agents at Peoria in his discussion of future trends in the insurance business. He said he does not look for an upheaval which will eliminate all that people have grown used to, nor for a general insurance upset from new laws, much as some radicals would like to bring this about. The important element, Mr. Smith said, is that the public is inquiring into the value of the services of companies and agents and both sides of the business must be ready to prove their worth.

In spite of the talk about the American agency system being doomed, Mr. Smith said he cannot see this and he personally cannot suggest any better system. He also emphatically denied that there is any feeling in company ranks against the agency method of doing business. The public is curious about the value of the services it pays for, however, and it may be that the relations of companies and agents and their compensation will become public property and agents must justify themselves to the buyers of insurance.

Up to Each Agent

Mr. Smith said this is mainly an individual question, although all may be involved as a class. An agent who does his work well, renders the sort of service he should to clients and carefully looks after their interests, earns all of his commission; it is the one who does not do these things who damages the future of the agency system. The system should be safe but it is not safe to take a smug attitude toward it that results in inequities and selfishness.

He took up the question of participating policies, saying there is hardly justification for the belief there is a trend toward participating stock companies, although some companies are now issuing these forms. He said there is probably no prettier theory anywhere than that of mutual insurance but those who are conversant with it realize that theory and practice do not coincide. There are many arguments against participating forms, particularly the fact that the record on fire insurance is not sufficiently profitable for organization companies, with the services they render, to return any appreciable amount of premium collected unless they would do as life insurance companies, charge a higher rate on their participating policies than on non-participating policies. This would immediately introduce complications.

Broader Contracts

The trend toward broadening coverages has been in process for some time and will continue, Mr. Smith said. He called the personal property floater ideal for covering household goods, and said the extended coverage endorsement pro-

(CONTINUED ON PAGE 34)

License Laws Are Strictly Enforced, Jones Tells Agents

Insurance Director Paul F. Jones of Illinois made a decidedly favorable impression on the Illinois Association of Insurance Agents with his brief, but pointed, remarks at the banquet Thurs-



PAUL F. JONES

day evening at Peoria. His audience applauded his frank statement that neither politicians nor members of the public were the greatest obstructionists of improved agency standards, but rather agents themselves who try to get examinations waived for friends and employees. He warned them that they cannot and will not be successful in such efforts.

Of 3,879 agents notified to appear before the Illinois department for examination between March 1 and Sept. 15 over 50 percent failed to meet requirements of the law, Mr. Jones said. The department has not granted a single waiver to any individual subject to the examination requirement. During the March 1-Sept. 15 period there were 277 licenses denied or revoked. To date there are 5,445 fewer agents than in 1940, but there are still 40,000 agents in the state, he said.

The relationship between the buying public and the agent, broker, solicitor and company representative is quasi-fiduciary in character, Mr. Jones stated. Few policyholders know the exact terms of their contract, the financial status of the insurer, and the like, so the public buys its protection largely on faith just as the patient or client follows the advice of a doctor or lawyer. Consequently the important profession of insurance agents should be strictly limited to men and women of character and proper training.

Illinois School March 12-14

The Illinois Association of Insurance Agents will hold its third insurance course school at the University of Illinois March 12-14, it was decided at the convention at Peoria. H. H. Monier, Champaign, reported that hotel accommodations will be available on those dates.

The plan followed last March of dividing the school into two distinct sections met with unanimous approval and it undoubtedly will be followed again, with more sections to be added either next year or eventually.

Brown Tells Agents Too Many Prospects Are Overlooked

American Surety Man Shows Where Canvassing Will Get Results

Valuable tips on production and prospecting were given at the Friday morning session of the Illinois Association of Insurance Agents in Peoria by Randolph E. Brown, New York, superintendent of agencies American Surety.

He expressed doubt whether the insurance agents do nearly so good a job as merchants, dairymen, dry cleaners, newspaper delivery services and department stores in soliciting new residents for business, carefully and methodically. He also asked whether the agents keep in contact with public accountants, who are in an ideal spot to recommend necessary coverages to their clients. Another fine opportunity is that of working with local associations of credit men, and also, calling upon and circularizing attorneys who control a great deal of insurance business for the estates which they administer.

Bond Opportunities

Mr. Brown asked what the agents do in connection with probate and public official bonds; what they are doing to replace personal with corporate suretyship. He inquired if they have any idea of the number of public official bonds available in their communities, citing that in Illinois a study of statutes only recently showed at least 120 different bondable offices exist and that some officials did not know they had to post a bond and had not done so.

Mr. Brown inquired whether the agents had covered their banks and building and loan associations with non-ownership automobile liability, or had suggested comprehensive policies to them. He also asked about churches and educational institutions which may have need for fidelity bonds, liability, plate glass, burglary and robbery insurance, automobile non-ownership coverage. Funeral directors and fraternal organizations are other prospects.

Another angle was whether they had sold residence liability, or personal liability schedules to their fire insurance customers. In a country of sportsmen, the latter is a very necessary coverage. These same people also need burglary insurance and for a very small sum may insure the fixed glass in their residences by an endorsement on either the burglary or residence liability policy.

Then there are store fronts throughout the country which are having their "faces lifted" by the use of expensive Argentine Carrara, opalite or vitrolite glass. The owners should be protected against loss of their investment in these materials.

Next came manufacturers of tobacco products, distillers, brewers, rectifiers, wine makers and users of industrial alcohol, all of whom have to furnish internal revenue bonds. This is compulsory and not optional. Other overlooked sources of business are mercantile and manufacturing, public utility and construction concerns.

The defense program has opened up wide markets. The agent may not be

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Can't Retire



W. HERBERT STEWART

When W. Herbert Stewart, past president and past board chairman of the Illinois Association of Insurance Agents, finished his term as chairman of the advisory committee at the Peoria convention last week, he expected to retire from state association work. The idea of the Illinois association being without Mr. Stewart's invaluable services, however, was unthinkable to the membership, and he found himself drafted as chairman of the important legislative committee and thus still a member of the board of directors. In addition to his unceasing work for the Illinois association, Mr. Stewart has been chairman of the surety committee of the National Association of Insurance Agents and in 1937 received the Woodworth Memorial award as the agent who contributed most to insurance during the year.

able to secure the coverage on jumbo plants, but many small concerns have undertaken sub-contracts and may have to give performance bonds, and also need fidelity, liability and other coverages to a greater extent than ever before.

The percentage of insured car owners is so small that there will be stronger and stronger efforts for passage of compulsory insurance legislation unless the agents and companies accomplish vastly more in promoting the sale of such policies than in the past. A great many people of means still contend they do not need insurance on their cars. Mr. Brown asked if the agents have some systematic plan for soliciting a few uninsured owners every day. He recommended the medical reimbursement endorsement as a "gold mine" for agents and unexcelled coverage for owners, yet, he said, many agents have been very indifferent to its possibilities. He also asked what the agents know about forgery insurance, the lenders forgery bond and clause E in connection with the bankers blanket bond.

A great deal of business is lost to agents or not written at all because of various fear complexes, he said. Some agents in making surveys seem to be afraid to mention too many hazards, even though they exist. Mr. Brown said the challenge in making a survey is to call the prospect's attention to all the hazards to which he is exposed and to show how he can be protected by insurance against financial loss should certain contingencies materialize, then allow the prospect to make his own decision as to what coverage he wants and how much he wants to spend. Agents also sometimes are reluctant to have their company field men work with them on a risk for fear this might be construed as reflecting on their ability. Yet such assistance is merely a logical extension and application of the local agency service principle.

Garlichs Explains Countersignature Agreement Angles

Lorren W. Garlichs, St. Joseph, Mo., popular member of the national executive committee, was the official representative of the National Association of Insurance Agents at the convention of the Illinois Association of Insurance Agents. He reported on developments of the recent national convention at Kansas City and discussed accomplishments and activities of the National association, particularly the countersignature agreement with the casualty companies.

Agreement Has Three Parts

There are three definite parts to the countersignature agreement, Mr. Garlichs said, two of which have been overlooked by many agents although they are even more important than the provision for countersigning. These are that casualty companies have agreed in writing not to write any direct business, and not to permit any company or salaried employee to countersign any interstate business. The third provision is the 5 percent countersignature fee

where no other service is necessary, with a minimum of \$1 and maximum \$50.

Mr. Garlichs said there may be some justification for the claim that the \$1 minimum should be changed to 50 cents and the maximum should be reduced, but there is no reason for elimination of certain territories, such as was proposed for suburban New York, New Jersey and Connecticut.

He said the companies wanted this agreement as much as the agents, their principal reason for signing it being to prevent agents from introducing in the legislatures bills limiting commissions to outside brokers. Since then no state has passed such a bill.

Branch Office Survey

He commented on the survey of production branch offices by a special committee which has received in the year reports from 90 percent of the 234 cities checked.

Mr. Garlichs said the recent ruling on installment selling whereby automobiles cannot be financed unless $\frac{1}{3}$ of the cost is paid down, should be advantageous to all legitimate agents in permitting automobile financing to be handled by banks and should take much of this business from the national finance companies, if agents get busy and do the selling. Most banks are eager to make 66 $\frac{2}{3}$ percent automobile loans, and are always willing

to cooperate with good stock company agents. He also noted the campaign being conducted by commissioners in various states including California, Ohio, Florida, Georgia, Massachusetts, Minnesota and Nebraska against licensing automobile dealers as insurance agents.

Convention Jottings

National Surety followed its practice of entertaining at a cocktail party before the dinner. It was a highly successful function, under the able sponsorship of B. J. Nietschmann, Chicago manager and E. A. Luther, St. Louis manager, assisted by Mesdames Nietschmann and Luther.

Two attractive young women who have become convention indispensables are **Miss Elizabeth Crowder** of Alvin S. Keys & Co., Springfield, and **Miss Florence Dublin** of the W. H. Jennings agency at Rockford. They were faithfully at the registration desk and otherwise on hand whenever needed.

J. P. Keevers, resident vice-president **Maryland Casualty**, greeted the convention in his capacity as president of the Insurance Federation of Illinois and presided at his company headquarters, assisted by C. L. Gibbons, resident manager, and W. A. Browne, agency manager. The St. Louis office of the company was represented by H. A. Martin, resident vice-president and J. T. V. Keller, resident manager.

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Pickups at Peoria Convention

Several physical difficulties presented themselves at the convention of the Illinois Association of Insurance Agents in Peoria, but they did not seem to impede the enthusiasm of the large crowd, to judge from comments at every hand. In the first place, it rained throughout almost the entire convention. More serious, the attendance was so large that getting hotel accommodations was not a light matter and both the luncheon and banquet presented overflow crowds. With all the large and small irritations he had to face, J. Edward Martin, general chairman, well deserved the accolade he received at the end of the convention.

W. E. Peters, of the Lyle H. Gift agency, chairman of the housing committee, had an unexpected and apparently inexcusable situation thrust upon him. For some unexplained reason, one of the hotels threw its reservations open at 8 p. m. Wednesday, although the largest crowd of arrivals came in from Chicago at 9:30 on the "Rocket." The matter was finally ironed out, after many people, including Mr. Peters, had been thoroughly inconvenienced.

One arrangement made by Mr. Peters was universally approved. Only a few rooms were assigned to the companies maintaining headquarters at the Pere Marquette, the balance of the men from each company being sent to the Jefferson and other hotels. The result was that most of the companies were able to have their headquarters at the Pere Marquette and it was felt that this system was fair to all.

Firemen's of Newark had large and well appointed headquarters at the Jefferson, in charge of Lloyd Brown, Chicago, vice-president. He was assisted by the Illinois field force, consisting of J. J. Hon, Rockford; Lloyd Eppler, Springfield; Harry Conklin, Springfield; L. E. Whaling, Springfield; Edgar Taylor, Peoria; W. B. Knox, Rockford, and W. L. Engberg, Rockford.

Lyman Drake, Chicago, was chairman of the **resolutions committee**, assisted by J. M. French, Ottawa, and Carl Walker, East Moline. The **nominating committee** consisted of Frank Smith, Champaign, chairman, L. B. Tutill, Anna, and L. H. Webb, Chicago.

North British headquarters were staffed by W. F. Sweazea, Chicago manager; E. F. Schneider, assistant manager; L. G. Sylvester, brokerage superintendent; E. H. Miller, Jr., automobile superintendent; G. F. Laws, marine superintendent; Frank Cargill, executive representative, all from Chicago, and E. C. Hauser, engineer at Milwaukee.

Resident Vice-president E. D. Loring, N. J. Perrin, assistant manager, and R. L. Clark and R. L. Hoffer, special agents, were on hand for **American Automobile**.

Fidelity & Deposit distributed the Chicago "Tribune" to the registrants each morning. W. H. Hansmann, vice-president; R. D. Searles, manager, and J. S. Neal, assistant manager, were on hand.

Ocean Accident was represented by Laurence Jones, Chicago manager; R. P. Munsell, bond superintendent, and Frank Napp, agency superintendent.

Two officers from neighboring state associations were present and took a bow at the dinner. They were **August Lutze**, Sheboygan, president Wisconsin association, and **L. M. Jefferies**, Clinton, chairman executive committee Iowa association.

U. S. F. & G. had John Foster, Indianapolis manager; Henry Bush, St. Louis manager; Walter Lane, city suburban manager at Chicago; Holman Weeks, special agent, Indianapolis, and E. H. Follingstad, Chicago, Cook county manager F. & G. Fire.

E. S. Inglis, vice-president, and R. R. Wilde, secretary, came from New York for **Corroon & Reynolds**, joining forces with J. W. Knox, Chicago, secretary, and W. T. Funkhouser, general agent at Springfield.

Mrs. Lyle H. Gift has been a popular "first lady" of the Illinois association and she wound up her role with the assignment of chairman of ladies' entertainment. She has accompanied Mr. Gift

to many conventions and has made a host of friends.

Springfield F. & M. headquarters were in charge of M. E. Peterson, Chicago, secretary, assisted by R. E. Wessendorf, Chicago, assistant agency superintendent; O. G. Bolton, Peoria; E. B. Heffran, Rockford, and Jacob Swigart, Decatur.

From the home office of **Home of New York** came Leonard Peterson, secretary, and R. W. Walker, production manager of the marine department. Also at the headquarters were E. R. Hurd, Chicago manager; L. J. Fischer, assistant manager; P. C. Van Dusen, manager service department; R. L. Maxwell, marine manager; A. H. Knight, state agent, all from Chicago; V. J. DeGulre, St. Louis, special agent, and L. R. Choate, special agent, Peoria.

Aetna Casualty headquarters featured an attractive display in which the defense theme was used to show the service of the company and its agents. It was arranged by Marshall Fiedler, publicity manager at Chicago. R. D. Hodson, agency supervisor at Chicago, was in charge of the headquarters, assisted by P. E. Chunn, special agent, accompanied by Howard Blair, St. Louis manager. From the St. Louis office also came R. N. Millure, agency superintendent; T. N. Pruyn, special agent, and C. T. Schwarz, special agent Automobile of Hartford. The Chicago office of Automobile was represented by George Olson, western manager; E. J. Moran, chief marine underwriter; A. J. Meyer, state agent, and J. W. Barry, state agent.

R. I. Read, Chicago general agent, maintained headquarters. **Illinois National Casualty** was represented by C. L. Morris, Springfield, secretary and general manager, C. J. Beck, Springfield, agency superintendent, and H. O. Brundage, Chicago, special agent.

R. L. Haskell, Chicago manager, was in charge of **Employers Liability** headquarters, assisted by Herman Meyer, Chicago, assistant manager, G. E. Charlan, surety manager, C. P. Nichols, F. M. Radcliffe and J. W. Riley, Springfield, special agents, and A. L. Hatch, Chicago, state agent Employers Fire.

The **casualty organizations** were well represented by Peter Malah, Chicago manager National Bureau of Casualty & Surety Underwriters, and R. L. Davis, western manager Association of Casualty & Surety Executives.

H. N. Douglass, resident vice-president, and T. E. Barton, Jr., manager, maintained joint headquarters for **New Amsterdam Casualty** and **U. S. Casualty**.

Travelers was represented by R. H. Ramey, Peoria manager and Dorr Hudson of Peoria and A. B. Smillie, Cook county manager, H. J. Hansen, manager, and K. R. Dunkin, assistant manager, at Peoria for Travelers Fire.

Vice-president John Kremer came from the home office of **North America**. He was assisted by A. T. Moyer, Chicago service office manager, and L. N. Davis, G. A. Feindt, T. A. Barabee, H. C. Harm, J. S. Schmidt and F. A. Jettinghoff of the Illinois field. W. A. Osgood, Chicago manager and A. M. Dvorak, special agent, were on hand for Indemnity of North America.

J. L. Maehle, Chicago manager, assisted by D. M. Spencer, casualty superintendent, and J. H. Bicket and D. E. Harris, special agents, held headquarters for **American Surety** and presented Randolph Brown of the home office, a convention speaker, to their agents.

W. H. Harvey, agency superintendent, and T. G. Dahl, manager farm and hail department, were on hand for **Great American**.

Standard Accident headquarters were manned by V. H. Bartholomew, vice-president; T. O. Malmstrong, production manager; M. J. Scheemecker, bond manager, and S. R. Harwood, claims attorney.

G. L. Hubbard, state agent, assisted by Mrs. Hubbard, had headquarters for **Eastern and Old Colony**.

J. P. Fellows, and C. G. Bitzer, state agents **Fireman's Fund**, and E. R. Larson, assistant manager Fireman's Fund Indemnity, maintained headquarters.

Ralph Danforth, assistant secretary, and J. T. Harding, state agent, were on hand for **Millers National**.

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SHIRLEY E. MOISANT Editor and Publisher
KANKAKEE, ILLINOIS

Millard Warns of Accident Dangers in Defense Boom

Traffic violations totaling 150,000,000 have contributed greatly toward the annual toll of 35,000 or more deaths, 1,000,000 injuries and three quarter billions property waste chargeable to automobile accidents, Archie B. Millard, Grand Rapids, Mich., chairman accident prevention committee of the National Association of Insurance Agents, declared in his talk on "Defense Production Dangers" at the annual meeting of the Illinois Association of Insurance Agents in Peoria. Another reason for the present serious situation is mushroom growth conditions in many sections due to the rapid expansion of the defense production industries. Populations in many centers nearly doubled in a short time causing undue congestion on highways and streets.

Mr. Millard said these conditions not only have increased traffic deaths and injuries, but will probably result in industrial losses due to the inapt, inexperienced persons trying to fill jobs that call for well trained people. Carelessness may result from people desiring to work longer hours—to secure larger incomes through overtime rates. Fatigue may take its toll.

Sees Military Control

The country may become conservation conscious and permit at least as a training activity, a military control over street and highway traffic. Mr. Millard placed enforcement first in importance as a means of offsetting the tide of accidents, engineering second and education last. Military control would bring enforcement, with a slow pattern of traffic, positive route designations to suit ideas of defense strategy and to include in many places large scale military maneuvers. However, civilian rights might be reduced to the bare simple needs.

Mr. Millard said military control of traffic will not take over this year but there is a national step of great importance being taken—priorities. It is disturbing American home rule by calling off non-essential construction jobs of new dwellings and business properties. He expressed doubt public officials will be able to cope with population increases through present enforcement or engineering staffs, since there would be increased budgets for such items when federal authorities are all but demanding local authorities cut their budgets and go on an economy basis.

Judiciary Needs Improvement

Mr. Millard questioned whether so-called "cafeteria courts" which handle traffic violations in most jurisdictions are administered with the idea of diminishing automobile accidents. He noted the proposal of the American Bar for a change in procedure of traffic courts for uniformity of punishment, keeping of records and control of the use of the fines collected. Agents can help to get the judiciary to work in the interests of accident prevention, he concluded.

At the beginning of his talk, Mr. Millard paid tribute to Alvin S. Keys, Springfield, national councillor of the Illinois association, who is assistant director of public safety for the state. As a compliment to Mr. Millard's activities, Captain Lavin of the traffic department of the Peoria police department and Sergeant Sherman of the Illinois highway police stood on the platform with him.

W. H. Wolf, Rockford, assistant western manager, was in charge of American of Newark headquarters, assisted by H. W. Williams, Rockford; R. C. Craig, Rockford, F. A. Nelson, Quincy; H. A. Trenholm, Rockford; R. H. Whitchurch, Rockford; L. E. Knauber, Decatur; Paul Schminke, Rockford, and D. B. Snapp, St. Louis, of the Illinois field force.

Keys Criticises Optional Policy in Councillor Report

In his interesting report as national councillor of the Illinois Association of Insurance Agents, Alvin S. Keys, Springfield, praised the principle of the new optional coverage policy, but criticised several details of it. He said that the new policy will be optional until Nov. 1, 1942, and after that will become mandatory, replacing fire, windstorm and combined fire and windstorm policies.

Mr. Keys said that the most vital part of the policy is the clause which states that the assured is covered against the perils indicated by a premium showing, but that this clause is covered and out of the assured's eye when the form is attached. He said that in order to comply with the law the new contract must use the conditions of the standard fire policy, but the present arrangement is unfortunate, since the average assured would think he has a fire policy, even though it is written to cover windstorm or combined fire and windstorm.

Wants New Auto Form

A serious shortcoming in the liability situation, Mr. Keys said, is that there is no form available which will cover police officers fully. Officers can be covered against their liability for operation of automobiles owned by the government, but not for operation of motorcycles and not for driving cars of citizens, such as those of drunken or injured drivers. He said that he has drawn up a form to cover these hazards and submitted it to the insurance department, which has told the companies it will approve it if any of them wish to file it.

Mr. Keys also reported on the recent meeting of the National Association of Insurance Agents at Kansas City and on a recent conference of the middle western councillors with Western Underwriters Association officials. He drew a roar of approval when he assured his audience that the state department of public safety, of which he is assistant director, had told all new state policemen that they were free to buy their insurance in any admitted company and from any licensed agent or broker of their choice.

Viewed at Peoria as Illinois Agents Met

With Western Manager C. H. Smith on the program, Hartford Fire and Hartford Accident were prominent at the convention. J. C. Hullett, assistant manager of the fire companies, was on hand, as were G. H. Moloney, vice-president, and D. J. Carroll, manager Peoria service office of Hartford Accident.

Vice-president E. A. Henne; A. G. Gabrielsen, assistant secretary; J. E. Guy, manager automobile department, and B. R. Walinder, manager farm department, were on hand for America Fore group.

J. J. Hubbell, resident secretary; R. G. Tanger, western marine manager, and R. E. Croke and W. E. Meier, state agents, were on hand for Security of New Haven.

John Chickering, agency superintendent, and Lester Petterson, state agent, represented Sun.

Phoenix of London headquarters were in charge of J. G. Hughes, state agent, and H. A. McKenna, manager Phoenix Indemnity.

Security of Davenport was represented by R. R. Mittelbush of the home office.

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Laws and traffic regulations, aimed to protect our people from the cars they drive, have been passed and faithfully enforced. Safer cars equipped with every known safety device have been produced. But the slaughter continues.

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November 13, 1941

CASUALTY AND SURETY SECTION

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Memorable Progress Seen in Care of Industrial Workers

Hygiene Foundation Holds Annual Meeting; Defense Aspects Are Noted

PITTSBURGH—The past year has been a memorable one for the progress that has been made in industrial hygiene and in care of the health of the industrial worker, Dr. A. J. Lanza, assistant medical director of Metropolitan Life, declared in his address as chairman of the medical committee at the annual meeting of the Industrial Hygiene Foundation of America.

Dr. Lanza pointed out that in the defense setup there is the office of defense health and welfare services and the office of scientific research and development, both directly stemming from the office for emergency management. In the former, a subcommittee, the industrial health committee, works in close cooperation with the United States Public Health Service, the National Research Council and the Army and Navy departments.

Stress Administration and Research

Under the office of scientific research and development, largely centered in the National Research Council, there is also an industrial health committee, whose personnel is identical with that of the other subcommittee on industrial health. This arrangement provides for adequate attention being given both the administrative and research phases of industrial health in all types of defense industries. In addition there is a section on industrial hygiene in the bureau of preventive medicine of the medical department of the Navy and also in the Army medical department.

The past year has also seen an increase in state bureaus of industrial hygiene so that at present there are 34 such bureaus, plus those in the territories of Hawaii and the Philippine Islands. These bureaus in cooperation with the division of industrial hygiene of the National Institute of Health present a coordinated and integrated control such as has never before been contemplated in this country, Dr. Lanza declared. In addition several correlated activities are represented by subcommittees in the defense health and welfare services, namely nursing, nutrition and morale.

Nursing Consultants Appointed

The U. S. Public Health Service's division of industrial hygiene has appointed an industrial consulting nurse. A staff education program is being developed in cooperation with the National Organization for Public Health Nursing, which has also appointed an industrial nursing consultant, and the pro-

(CONTINUED ON PAGE 33)

Publish Report on Auto Crash Study

Skill Not Only Requisite, N. Y. University Investigation Indicates

Automobile drivers need more than skill, knowledge of driving regulations and quick reaction time in emergency, it is indicated by a one-year study to determine the importance of physical and mental factors in good driving, completed at New York University's national center for safety education, published under the title "Personal Factors in Safe Operation of Motor Vehicles." Accident-repeaters and drivers with good records were studied.

Good drivers were found superior in ability to see to the side of the road and respond effectively to an emergency. Only 12 percent of accident-free drivers studied had low systolic blood pressure as compared to 77 percent of dangerous drivers. Low pressure is often accompanied by dizziness, headaches, lethargy and depression.

Dr. Leon Brody, research associate, directed the study. The work of the center is supported by an annual grant from the National Conservation Bureau, accident-prevention division of the Association of Casualty & Surety Executives.

Dr. Brody's report contains a foreword by C. E. Mealey, New York state commissioner of motor vehicles. It emphasizes there is no substitute for actual driving skill. Many accident-repeaters were found maladjusted in their jobs, emotions, health, or home life; most of them had poor side vision. Although repeaters and accident-free drivers did about the same in road tests, repeaters did not do so well in passing other cars. Many accidents are believed to result from improper passing.

Six recommendations to improve driving performance were made by Dr. Brody:

1. A driver's license should be granted only after the applicant has passed a medical examination as well as road test.

2. Road tests should be conducted by full-time, trained examiners for the state, who would observe not only the skills but also attitudes of applicant.

3. Licensed drivers should be required to submit a physician's certificate periodically—perhaps every fifth year—upon application for renewal of licenses.

4. Licensed drivers who have been involved in fatal or numerous accidents or who have habitually violated traffic laws, should be summoned for clinical examination by suitable public agencies to determine whether they are fit to drive.

5. Facts concerning safe operation of motor vehicles should be widely distributed through traffic-safety and driver-training programs in schools and through the various media of public education.

6. Principles of scientific employment should be applied to selection of motor-vehicle operators in military service as well as operators in public transportation and commerce.

Each subject of the investigation had driven at least 50,000 miles. Drivers

High Court Upholds Responsibility Law

Can't Be Evaded by Bankruptcy, United States Supreme Court Holds

By a five to four decision the United States Supreme Court upheld, in a case from New York, the validity of a provision, common to practically all financial responsibility statutes, under which a motorist loses his driver's license upon failure to satisfy a judgment against him arising from the operation of his car. In this case G. C. Reitz of Albany sought to escape the penalty by taking bankruptcy and he contended the New York financial responsibility law violated the federal bankruptcy law.

This case does not involve the new New York financial responsibility law, which becomes effective Jan. 1, except that Reitz contended among other things that the suspension of his license improperly would continue in effect beyond Jan. 1, which is the effective date of the repeal of the act that caused his trouble. The supreme court dismissed that contention, however. The present law provides for the suspension of license if judgment is not satisfied within 15 days, the suspension continuing for three years.

Not for Protection of Creditor

The majority opinion, on the bankruptcy issue, stated that the penalty for injury due to careless driving is not for the protection of the creditor merely but to enforce a public policy that irresponsible drivers shall not with impunity be allowed to injure their fellows.

"The scheme of the legislation would be frustrated if the reckless driver were permitted to escape its provisions by the simple expedient of voluntary bankruptcy, and accordingly the legislature declared that a discharge in bankruptcy should not interfere with operation of the statute," the court declared.

The minority opinion held that the power which the law gives the creditor is a powerful collection device which should not be allowed to survive bankruptcy. Where the bankrupt depends upon his car for his livelihood he is at the mercy of the creditor and may be in even worse a position than if the state had made it possible for a creditor to attach his future wages.

were included who had been involved in at least three reported accidents 1935-1940, and drivers who in nearly every case never had been involved in any reported accident.

The physical and psychological examination of each driver included tests of blood pressure, numerous aspects of vision, reaction time, neuromuscular control, driving skills, personality adjustment, attitudes, and knowledge of driving principles and practices.

The investigation yielded a battery of four tests, together requiring no more than an hour to administer, by means of which 92 percent of subjects examined were successfully identified as accident-repeaters or accident-free drivers.

(CONTINUED ON PAGE 34)

Interstate Rate Cutting Big Topic for Commissioners

Executive Committee Authorizes Special Committee to Treat Matter

The executive committee of the National Association of Insurance Commissioners held a two-day meeting in Chicago this week to arrange the agenda for the mid-year meeting to be held in the Pennsylvania Hotel, New York City, Dec. 8-10, with C. F. J. Harrington of Massachusetts, the chairman, presiding. Other members on hand were McCormack of Tennessee; Jordan, District of Columbia; Lloyd, Ohio; MacDonald, Wyoming, and Morin, Rhode Island. C. F. Hobbs of Kansas, president of the organization and John Sharp Williams of Mississippi, vice-president, were present. Jess G. Read of Oklahoma, secretary, is in a hospital with pneumonia and could not attend. Other commissioners and department men who attended were P. F. Jones of Illinois; A. G. Smith, special deputy of Illinois; G. A. Bowles of Virginia, with Thomas Moore, actuary; N. R. Johnson, Minnesota; J. B. Gontrum, Maryland; A. E. Cleary, Massachusetts actuary.

Special Standing Committee

The most important subject to be discussed at the mid-year meeting will be the allocation of premiums on interstate business by companies seeking to cut the overall rate. The executive committee has been authorized to appoint a special committee and will do so immediately, Mr. Harrington said. The committee will be a standing one, will meet regularly, and will deal with interstate rating of all lines except life. It will cooperate with other committees of the association. The committee will probably organize at the December meeting.

Commissioners claim that the practice of companies is to charge the full promulgated rate in regulated states and to make the entire reduction in the unregulated states. This issue has come to the front since a questionnaire was sent to the companies by the California department.

Constructive Attitude

The result, according to the commissioners, is that there is an obvious disregard of the rate regulation laws in those states which have such statutes. The loss experience in the states is thus put out of its regular groove. The commissioners charge that there is a violation of the anti-discrimination laws of the unregulated states. Furthermore, in the effort there is a falsification of these transactions. The practice as applied to workmen's compensation insurance was made the subject of a report recently by Superintendent Pink of New York which followed a year's investigation.

(CONTINUED ON PAGE 34)

Youthful Driver Is Major Problem in Automobile Line

H. L. Andrews, underwriting manager of the Buckeye Union Casualty, states that one of the major problems of automobile casualty insurance is the youthful driver. The situation, he says, has assumed great seriousness due to the rapid expansion of both the automobile industry and the automobile casualty business. With thousands of young men in the army and navy, the factories have called in boys from 16 to 18 years of age, who under ordinary circumstances would be in school and are now earning good wages. Many of them have cars, usually of ancient vintage, and use them for transportation to and from work. Many of the younger generation have been pressed into service as drivers to replace their older brothers.

Mr. Andrews says that through a careful survey of claims involving drivers between ages 16 and 21, one of the most striking causes of accidents is the mistake in judgment, even though there may be no previous evidence of recklessness. The younger drivers have not passed through the apprentice stage. Some of these newer drivers do not know the rules of the road.

"Walkees" New Word Coined in New York

"Trainees," "draftees," "selectees" and other similar words have become part of the national vocabulary the past two years. So Ernest Paviour, director of advertising for the Underwriters Board of Rochester, and president of the Paviour Insurance Agency in that city, coined a new word to describe a new class of pedestrians which will be created in New York State after Jan. 1, the effective date of the new motor vehicle safety responsibility law.

"Let's call them 'walkees,'" said Mr. Paviour, "because they will have to walk after that date if they become involved in an automobile accident causing property damage over \$25, bodily injury or death, and are unable to furnish security both for the accident that has happened, and for future accidents, whether or not they are at fault, as the law reads."

Much interest is being taken in the Rochester Board's plan for taking care of insurance required by the new New York financial responsibility law, under which small weekly payments as low as 65 cents may be made, similar to the industrial life plan, with no interest or finance charge to the insured.

So far as is known, the Underwriters Board of Rochester is first of any organization in New York State to announce and make available such a plan for the car owner.

Minnesota Attorney-General Rejects Non-Statutory Bond

ST. PAUL—Two fidelity bonds on Minnesota state employees aggregating more than \$1,350,000, issued by Western Casualty, have been disapproved by the attorney-general as not complying with the Minnesota laws. One bond for \$1,169,000 covered employees of the state railroad and warehouse commission and the other, for \$197,000, covered employees of the rural credits department.

The attorney-general quoted a rider attached to the bond, reading: "That this bond is not issued or accepted as a compliance with any statutory requirements and shall not be construed as a statutory bond." The opinion states that the commissioner of administration has discretionary power to bond any employee of whom a bond is not expressly required by statute, but that a department head has no authority to accept anything but a statutory bond.

Frank Cohen Looms Up in an Extensive Way in Defense Production

Frank Cohen of New York, formerly well known as a buyer of insurance companies, has achieved great success recently with his company, Empire Ordnance, Inc., whose stockholders hold Savannah Shipyards. In the last 11 months the Empire has expanded into 14 corporations, six plants and a shipyard. It is now delivering every month \$1,000,000 worth of guns, gun mounts, recoils and tank armor to the British, has a \$37,000,000 munitions backlog. Last month it got an \$18-20,000,000 contract from the Maritime Commission for a dozen 10,000-ton "victory" ships. It has 3,000 employees and will soon have 4,000.

Mr. Cohen has been identified with a number of insurance companies. When Lloyds, N. Y., was liquidated it had previously absorbed Franklin Surety and Northwestern Surety, both of New York City, the Constitution Indemnity of Philadelphia and the Detroit Fidelity & Surety and, of course, the old Lloyds Casualty, which previously had been known as the Lloyds Plate Glass. Mr. Cohen was interested in taking over the Federal Surety of Davenport and then became a factor in some of the other companies that Lloyds later absorbed. The Fidelity Insurance Company of Atlantic City, N. J., was bought by the Fidelity Funding Corporation in which Mr. Cohen was interested. The Fidelity then purchased the majority stock of the Reserve Loan Life of Indianapolis.

Mr. Cohen was mentioned in connection with the ill-starred Commonwealth Mutual Liability of Boston, which was taken over in liquidation, though he stoutly denied being responsible for its difficulties. Subsequently it was understood he was identified with the Insurance Equities Corporation and the In-shares Corporation of Delaware. Back in June, 1938, the SEC investigated the activities of J. H. Barnes, who was formerly president of the U. S. Chamber of Commerce, and Mr. Cohen, for reputed "investment trust stripping."

Iowa Department Rejects Unrecorded Mortgage Cover

DES MOINES—The Iowa insurance department has disapproved a form filed by some companies, both fire and casualty, covering financial institutions against loss caused by a chattel mortgage or similar paper not being recorded. The department states that the Iowa laws do not permit either type of company to write this line.

There has been some activity in this field in other states, the idea apparently being to sell financial institutions this protection at less cost than chattel mortgage recording fees. The casualty companies sought to have it classified as credit insurance and the fire companies as an inland marine coverage.

Run Down Bogus Claimants

Interesting revelations were brought to light in a local court at Gainesville, Ga. F. O. Cox of Atlanta, special agent in charge of the Association of Casualty & Surety Executives claims bureau in the southern district, brought about the prosecution of a group of insurance claimants. Most of the accused confessed. The claims were made chiefly in connection with auto and public liability insurance. Some six companies are interested and about \$50,000 thus far has been brought to light as lost by the companies.

Safety Speakers at Riverside, Cal.

Riverside, Cal., has just concluded the observance of Safety Week. Four addresses were given by members of the Casualty & Surety Fieldmen's Association of the Pacific Southwest, arranged by S. H. Butler, Hartford Accident.

Speakers were J. H. Butcher, Aetna

Aetna Group in New Chicago Offices

The Aetna Life companies in Chicago have completed their move to 120 South La Salle, and held open house to several thousand friends and business associates Wednesday in the new quarters.

Aetna Casualty, Automobile and Standard, formerly in the Insurance Exchange, occupy the entire 15th floor, while the Rockwood S. Edwards general agency of Aetna Life, previously at 1 North La Salle, has most of the 16th floor.

The new offices are extremely attractive, with their modern emphasis on light, efficiency in physical layout, etc. A great many flowers from friends added a festive air at the opening Wednesday. Those attending the opening were presented with appropriate souvenirs.

From the home office for the affair were C. G. Hallowell, vice-president, and E. C. Knapp, agency secretary, Aetna Casualty; Olaf Nordeng, vice-president, and D. R. Sibley, vice-president for marine, Automobile and Standard; S. T. Whatley, vice-president, and A. H. Hiatt, Jr., superintendent of agencies, Aetna Life, and B. P. Fleurot, assistant comptroller for the companies.

Local hosts included George Tramel, manager Aetna Casualty; Rockwood S. Edwards, general agent Aetna Life; Mark V. Campbell, western marine manager Automobile and Standard; George J. Olson, western brokerage and service manager Automobile and Standard, and Walter Samet, Cook county manager Automobile.

K. C. Stars' Talks to Be A. & H. Convention Feature

KANSAS CITY—Transcribed actual sales talks of four top-notch Kansas City accident and health producers, previewed here at this week's meeting of the Kansas City Accident & Health Underwriters' Association, will be one of the features of the mid-year convention of the National Association of Accident & Health Underwriters here Jan. 26-28.

The local program was entitled, "Transformation for the App-Bowl," with Lysle Kindig, Massachusetts Bonding, as chairman. "Backfield" in this program consisted of George Swaney, Washington National; L. Tuller Bayless, Pacific Mutual; Carl Damon, American Savings Life, and Guy Lane, Business Men's Assurance.

Each "quarter" consisted of the sales talk of one of these backfield stars before an actual prospect, which was transcribed without the salesman's knowledge. The prospect had been coached previously by Chairman Kindig so that the transcriptions would include all sales points and arguments overcoming the chief objections usually encountered as presented "under fire" by these salesmen.

The staging of this program conformed with the football motif. Chairman Kindig was the referee, complete with striped shirt, whistle and gun for the half-time recess. The "backfield men" all wore helmets and the prospect, also wearing a helmet upon which were written the five chief objections, played the role of the "opposing team."

Celebrates Anniversary

The Buckeye Union Casualty is this month celebrating the 15th anniversary of its becoming a stock company. In this time it has grown from a \$300,000 company with \$289,000 premium volume to a \$3,500,000 company writing nearly \$3,000,000 in premiums annually.

On Friday of this week the Buckeye Union will close at Huntingdon, Pa., a series of agency meetings which have taken place in Ohio, Michigan, Indiana, West Virginia and Huntington.

Casualty, on "Good Public Relations in Action"; C. J. Sherard, Fidelity & Casualty, and W. A. Barnes, Eagle, Globe and Royal Indemnity.

Massachusetts Rate Schedule Sent Out Under Compulsory Act

Commissioner Harrington of Massachusetts announces that the automobile insurance rates tentatively announced five weeks ago have been formally promulgated as the schedule of rates for 1942, except for one minor change. This applies to the personal liability and property damage scale. Under the official schedule of rates there will be a small reduction in the guest occupant rate for garage dealers and manufacturers' cars. The rate is made up of two charges. The charge per \$100 payroll is reduced from 13 cents to 12 cents and the charge for a set of plates is reduced from \$1 to 60 cents. Commissioner Harrington states that the new rates will produce about \$900,000 less in total premiums than the rates for this year.

Walters Urges United Public Relations Effort

BOSTON—At the monthly dinner meeting tonight of the Boston Accident and Health Association, Fred M. Walters of Philadelphia, superintendent of the accident and health department of the General Accident and chairman of the public relations committee of the National Association of Accident & Health Underwriters, spoke on increasing and retaining public good-will for the business.

In a talk entitled "Public Confidence" he stressed particularly the important part played by the man in the field in making friends for accident and health insurance in the course of his numerous daily contacts with members of the public. He also called attention to the plans that have been proposed for various forms of federal or state compulsory health insurance, and expressed the opinion that education of the public, toward the end that there will be a general understanding of what accident and health insurance as written by private carriers has done and is prepared to do, will be the most important factor in preventing legislation inimical to the interests of the insurance man and the public.

Individual Agent Big Factor

"The National association is convinced, and has continually stressed the fact," Mr. Walters said, "that the individual agent in the field in direct daily contact with members of the public can do more in a few months to increase public confidence and good-will than could be accomplished in years by means of an elaborate public relations program. If we will make it a point to talk about our business at every opportunity even though our listeners may not be prospects for insurance, the results will be little short of astonishing."

In discussing the importance of the attitude of the public toward accident and health insurance, and the part that it will play in deciding whether or not a system of compulsory health insurance will be adopted, he said: "People generally are coming to realize more and more that disability insurance is a real necessity—yes, a commodity—and if the majority are not aware that adequate coverage is obtained from the insurance companies they are quite likely to support some scheme of governmental insurance."

"It is our duty to increase public understanding of our business and bring an ever-increasing number within the protection of our policies. At present we are insuring about 20,000,000 persons, but we must increase the number to 60,000,000 within the next few years."

Mr. Walters enumerated some of the things the National is doing to bring about increased public confidence in the accident and health business, and emphasized that unity of effort can accomplish the greatest results in the shortest space of time. In this connection, he urged the Boston group to affiliate with the National association as soon as possible.

Big Judgment Revives Interest in Trustee Cover

NEW YORK—A \$150,375 award against the United States Trust Company of New York City by the court of Bergen county, N. J., may have a considerable bearing on the future of so-called "surcharge liability" insurance in this country, which has so far been written only by London Lloyds. This coverage takes care of a trustee's liability for negligence in the handling of trust funds though not for deliberate breaches of trust. There has been a growing tendency in the courts to hold trustees accountable not merely for the exercise of ordinary prudent business judgment but for a degree of expertness in handling funds.

The \$150,375 award is believed to be unique in that it involved bonds which at all times during the period in question were on the legal list for trustee's investments. Nevertheless the court, on the basis of the report of a special master in chancery, held that the trust company should have disposed of the bonds before it did. The master's recommendation was for an award of \$159,000 but the judge cut this down to \$150,375, giving the trustee the benefit of a possible later sale date than the master in chancery's report.

The revised insurance code specifically permits companies to write insurance against this type of suit but so far no company operating here has issued such a contract. One safeguard would have to be the limiting of liability retroactively.

Professor Talks on Asia at Ill. Banquet

Dr. W. M. McGovern of Northwestern University won the interest of the banquet crowd at the convention of the Illinois Association of Insurance Agents with his discussion of "The Challenge of the Far East." Dividing several thousand years of history into major cycles in which supremacy swung back and forth between Europe and Asia, Dr. McGovern said that the latest challenge of Asia began in 1905, with the Russo-Japanese war. To check Japan, Dr. McGovern favored continuance of the present policy of cutting off her supplies of raw materials and blockading, if necessary. He said that any attempt to placate Japan will result only in strengthening her, while a direct assault on that country would be costly and uncertain. On the other hand, if

Rising Auto Losses in Washington State Worry Underwriters

SEATTLE — Automobile insurance experience is showing such a sharp reversal in Washington that underwriters without exception are becoming alarmed at the adverse trend. It is freely predicted that rates will soon have to be increased to meet the rising loss curve. Already collision rates have been boosted but no increase has been made on property damage and bodily injury, both of which are showing a steadily worse loss ratio.

The adverse loss ratio is not confined entirely to western Washington where there is a concentration of defense industries. Although the experience is not as bad in the eastern section, losses are steadily mounting throughout the state as a whole.

Factors which are contributing to the mounting loss ratio are congestion on the highways; many new drivers, especially among young men who are in the defense industries, together with mounting automobile repair costs which reflect increased wages.

Underwriters point out that the rising loss ratio is accentuated further by the fact that the state's present rate level for property damage and bodily injury insurance is below the level based on five-year experience compiled from 1934-38, made on experience of all companies. The compilation was made by the Washington insurance department and subsequently there was a rate readjustment.

There appears to be strong sentiment for boosting automobile rates to at least the level indicated by the Washington department's 1934-38 survey results.

Japan is blockaded, she will either collapse internally or have to come out and fight the strong coalition against her, which will mean certain defeat.

Dr. McGovern called the British and American policies before and during the Russo-Japanese war a great mistake and said that Theodore Roosevelt realized this before his death. England, believing at that time that the next great war would be with Russia, backed Japan as a means of wearing down Russia. President Roosevelt intervened after the first year of the war, when Japan had won the first round, but could do no more, and before the Russian superiority in men and resources had begun to show results. The Japanese regarded this war as a victory of Asiatics over all white peoples, including the American and British.

Personal Sureties Restriction Needed

Although there are instances of personal sureties having paid and even become bankrupt in making good their obligations due to defaults of those they have bonded, almost every county in the country has a list of heirs who have been deprived of their estates due to them because of inability of personal sureties to respond. H. W. Nichols, vice-president and general counsel of National Surety, told the North Carolina Bar Association at a meeting in Greensboro, N. C., this week. He discussed suretyship in probate courts. He noted that the American Bar Association in 1939 recommended personal sureties be required to give adequate security and said it is right they should be required to do so.

The personal surety is as old fashioned and unsafe as the horse and buggy on the modern streamlined highway, Mr. Nichols said. A fiduciary's trust is a sacred one, and perhaps most sacred is that of a guardian who acts for one incapable by age or mental condition of acting for himself.

Many Commitments Worthless

"More than one probate judge has been shocked to find, in time of default, that personal sureties accepted by his court have become worthless. Wards have been made paupers because guardians have furnished bonds of irresponsible sureties. On the other hand, the savings of honest men have been wiped out and the welfare of their families jeopardized as the result of bonds hastily signed for unworthy relatives, friends or political acquaintances.

"Personal bonds are secured by fiduciaries in the interest of economy. A fiduciary who gets a personal bond usually pays nothing whatever for it, and the protection which the estate receives is frequently worth exactly that. Many lawyers, probate judges and their clerks have come to feel that the inadequate and antiquated personal surety is all too prevalent and that something should be done to give more general protection to estates."

If increased protection is to be given, he said, it is apparent some restrictions must be placed upon the personal sureties. One who signs a bond should be aware he is taking on an obligation that may ultimately restrain him in the transfer of his own property. The giving of a bond should be something more than an empty legal formality and personal sureties should be made to feel this.

Mr. Nichols commented on the suc-

Finance Companies Seek Changes in New York Auto Act

NEW YORK—It is expected that at the next session of the New York legislature the new automobile financial responsibility law, which becomes operative Jan. 1, 1942, will be amended to recognize the equity of financing companies in cars seized by the state through the inability of their owners to comply with the provisions of the act within 90 days after an accident, and forbidding sale of the car until its release.

The financing institutions contend that the present provision would work an unwarranted hardship on them. Legislators are reported to agree. However, pending such action, the finance companies have sought from the insurance companies a form of coverage that will recognize their interest in seized machines.

N. H. Adopts Auto Changes

CONCORD, N. H. — The New Hampshire department has approved the recent revision of the standard automobile liability policy conditions of the National Bureau of Casualty & Surety Underwriters and the American Mutual Alliance. The new form will be mandatory Jan. 1, 1941. Commissioner Rcuillard has directed each company to send the department a letter, over the signature of an executive officer, agreeing to construe all outstanding automobile policies as providing the coverage of the new provisions, as regards accidents occurring on and after Oct. 20.

Discontinues Merit Rating

Accident & Casualty is discontinuing its merit rating plan for automobile insurance and this month is inaugurating a plan which provides for a rate deviation from manual of 35 percent on A risks and 20 percent on B risks. The company expects to reach the \$3,500,000 premium volume mark this year.

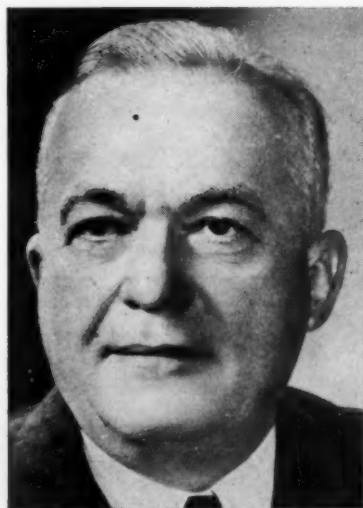
cessful plan in operation in the probate court of Cook county, Illinois, which requires a verified schedule of property and a signed agreement the surety will not convey or encumber any real estate owned by him until he is released as surety by order of the court.

The Iowa Fire Prevention Association will inspect **Mason City**, Nov. 19-20. J. Burr Taylor, Western Actuarial Bureau, will speak at a luncheon.

OFFICIALS AT CALIFORNIA AGENTS ASSOCIATION MEETING



H. H. HENDREN, Sacramento
New President



HARRY A. PERK, Los Angeles
Retiring President



F. C. COLRIDGE, Oakland
Executive Secretary



HAROLD I. CALLIS, Santa Barbara
National Councillor

ACCIDENT AND HEALTH

Dr. Hunsinger Goes with Alliance Life

Dr. J. E. Hunsinger, assistant medical director of Continental Assurance and Continental Casualty for the last 12 years, has resigned and been appointed medical director of Alliance Life. He fills the vacancy left by the death recently of Dr. J. R. Neal and will take his new post Dec. 1.

Dr. Hunsinger is a native Chicagoan who after graduation from Crane Technical High School was connected with Ryerson Steel Company for two years and then took a pre-medical course at Northwestern University.

He saw about two years' service in France during the first world war, being connected with a hospital unit stationed at Base Hospital No. 12 at Dannes-Comiers, about 14 miles from Boulogne.

After returning to this country, he resumed his medical education in Northwestern University's medical school and was graduated in 1923. He interned for a year in West Suburban hospital, Chicago, and then went into general practice. After six years he joined the Continental companies' medical department, and ever since has been in this post, doing examining work associated with Dr. H. W. Dingman, vice-president and medical director.

Two Illinois General Agents Named by U. S. Life

W. Welsh Pierce and B. F. McClelland have been named by United States Life as general agents for Illinois. The Welsh Pierce Agency, Chicago, will operate in Cook county, specializing in accident and health insurance. The B. F. McClelland agency, Rockford, Ill., will serve Winnebago, Stephenson, Boone, Ogle and McHenry counties, writing both life and accident-health.

Mr. Pierce entered the insurance business after first world war service as secretary to the American minister in Berne, Switzerland. He was cashier in the Philadelphia office of National Life of Vermont, and then in the brokerage department where he became manager, handling life and non-cancellable accident insurance. Later Mr. Pierce became general agent of Massachusetts Indemnity in Philadelphia, and in 1934 opened that company's office in Chicago. He is one of the Massachusetts Indemnity's leading agents, and will continue this connection. Mr. Pierce is active in accident and health and is first vice-president of the Chicago Accident & Health Association.

Mr. McClelland formed his general agency in 1919 with Continental Assurance, operating in northern Illinois outside of Cook county. Prior to that he was with Union Central Life in Kentucky, Equitable Society, and as supervisor of both Franklin Life and Continental Assurance. Mr. McClelland is a member of the executive committee of the Boy Scouts in northern Illinois and organized the first Boy Scout troop in his section. He was first president of the General Agents & Managers Association of Continental Assurance.

Cox Agency's Production

The W. E. Cox agency of the Mutual Benefit Health & Accident and United Benefit Life in Louisville, produced more accident and health applications and more paid for life insurance in 10 months than in all of 1940. The agency covers Kentucky and Virginia. It is one of the largest agencies of the two companies.

Williams Back at Work

Byron D. Williams, group superintendent of the Walter G. Gastil general agency of Connecticut General Life in Los Angeles, who was seriously in-

jured in an automobile accident in Montana in July while on the way to the company convention in Wisconsin, was at his desk this week for the first time since the accident. He now is rapidly recovering his strength and expects soon to be able fully to handle his duties.

Kaufman to Speak in Newark

The Accident & Health Association of Newark will meet Nov. 14. Zenn Kaufman, nationally known sales counselor, will speak on "Showmanship in Business."

Executives Dinner Committee

President Clay F. Lundquist of the Chicago Accident & Health Association has appointed the committee which will handle the Accident & Health Executives Dinner, to be held in Chicago the third week of January, probably Jan. 23. Members of the committee are: Harold R. Gordon, Health & Accident, Underwriters Conference, chairman; C. N. Dubach, Hartford Accident; A. J. Kirshberg, Connecticut General Life; R. R. MacKenzie, American Service Bureau; F. W. Crowther, W. A. Alexander & Co.; E. H. Ferguson, Great Northern Life, and W. W. Guon, Metropolitan Life.

A meeting of the general committee in charge of Accident & Health Insurance Week also will be held in Chicago at that time.

See Film on Use of Telephone

SAN FRANCISCO—Use and abuse of the telephone was shown in a special motion picture presented at the meeting of the Accident & Health Managers Club of San Francisco. S. L. Weinstock of the California insurance department will speak at the December meeting on cooperation with the accident and health business. Preliminary plans for the annual Christmas party were announced.

Baldwin Is Denver Speaker

W. L. Baldwin, president Security Life & Accident, spoke at a meeting of the Denver Accident & Health Association. He reviewed the address of Arthur Beverley Baxter, M. P. which was delivered before the American Life Convention.

Get-Together Dinner in Seattle

SEATTLE—The annual get-together dinner of the Seattle Accident & Health Managers Club will be held Nov. 14. Leading producers will be guests.

Conference to Entertain Bureau

The officers and executive committee of the Health & Accident Underwriters Conference will entertain the governing committee of the Bureau of Personal Accident & Health Underwriters at a dinner at the Waldorf-Astoria Hotel, New York City, Dec. 9.

A similar dinner was given by bureau officials for conference executives last year at the time of the commissioners' meeting.

Manzelmann Is Columbus Speaker

The Columbus Association of Accident & Health Underwriters at its meeting Monday night was addressed by George Manzelmann, president North American Accident, Chicago. A sales demonstration also was staged. Wives of the members of the association were guests.

NEWS BRIEFS

Future activities of the Chicago Accident & Health Association were discussed at the meeting this week.

Paul Van Duesen has entered the W. E. Leiby accident and health general agency, Los Angeles, as an adjuster.

For the first nine months Old Line Life of America reports a 30 percent



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American Glass Company's Fast, Dependable Plate Glass Replacement Service Counts BIG with Agents and Assured, Alike

Day after day, year after year, American Glass Company is on the job, proving its superior service to thousands of Chicago business establishments.

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gain in accident and health premiums.

Ohio State Life's accident and health premiums increased 11 percent in October.

Discuss Satisfaction of Judgments

LOS ANGELES—The Southern California Surety Underwriters Association heard of a new angle on satisfaction of judgments and handling collateral on bonds in connection with such judgments. Under the new civil code, effective Sept. 13, liens on judgments are provided for under certain contingencies, by court order. Satisfaction of the judgment now must be made that is satisfactory to the holder of the lien. Any settlement of the judgment made otherwise leaves the surety responsible for the amount paid out, and the lien holder can collect. The new section is supposed to be known to the clerk of the courts of the state, and liens recorded on the judgment, but so far nothing has been done along that line in the Los Angeles county clerk's office.

A nominating committee was appointed to report at the next meeting.

CHANGES

W. F. Koch Goes with American Auto

MILWAUKEE—W. F. Koch, for six years insurance department manager of Dick & Reuteman Co., has resigned to become general casualty manager in the Milwaukee office of American Auto under C. M. Latta, resident vice-president. The change is to become effective Dec. 1, but Mr. Koch will remain with Dick & Reuteman pending the appointment of a successor.

American Auto, following similar action in other states, is adding workmen's compensation and general liability lines in the Wisconsin and upper Michigan territory under the Milwaukee office.

Mr. Koch came to Milwaukee following his graduation in 1922 from the University of Wisconsin. After several years with a local dairy firm, he became a special agent in Wisconsin for the U. S. F. & G., in 1925, later becoming city supervisor. Then in 1935 he joined Dick & Reuteman. Mr. Koch has resigned as treasurer of the Milwaukee Board, the Wisconsin Association of Insurance Agents and Milwaukee Board of Casualty & Surety Underwriters. He also has served as a director and member of the executive committee. For four years he was insurance instructor of the casualty courses at the University of Wisconsin extension division.

Bedell N. Y. Casualty Manager

Stephen Bedell, Jr., for two years manager of the agency and production department of Maryland Casualty's New York office, has been named manager of the casualty department there. He succeeds John P. Coffay, Jr., resigned.

Mr. Bedell has had 23 years' experience in casualty insurance. He started with Maryland's New York office in 1926. In 1937 he became an underwriter in the compensation and liability department and was manager of that department before becoming head of the agency and production department.

Gibson U. S. F. & G. Supervisor

LOS ANGELES—T. D. Gibson, formerly special agent of Globe Indemnity, has joined the Los Angeles branch office of U. S. F. & G. as city supervisor. The company now has three supervisors here, the others being E. H. Donaldson, Jr., and R. L. Priest.

Paradise to New U.S.F.&G. Office

U. S. F. & G. has opened a new field office at Spokane, Wash., with John T. Paradise in charge. Mr. Paradise first joined the U. S. F. & G. in 1920 in

Salt Lake City. He was named special agent in 1928, being transferred to Helena, Mont., in 1934 where he has been district supervisor. The Old National Agency will continue as general agent for Spokane and adjacent territory.

W. C. Jeffrey's Change

W. C. Jeffrey has been appointed special agent of Commercial Casualty and Metropolitan Casualty in the Borough of Manhattan, New York. He was formerly with Ocean Accident as managing underwriter of the accident and health department in the metropolitan

district. He later became production manager in the metropolitan accident and health department of Royal Indemnity.

Standard Regional in Boston

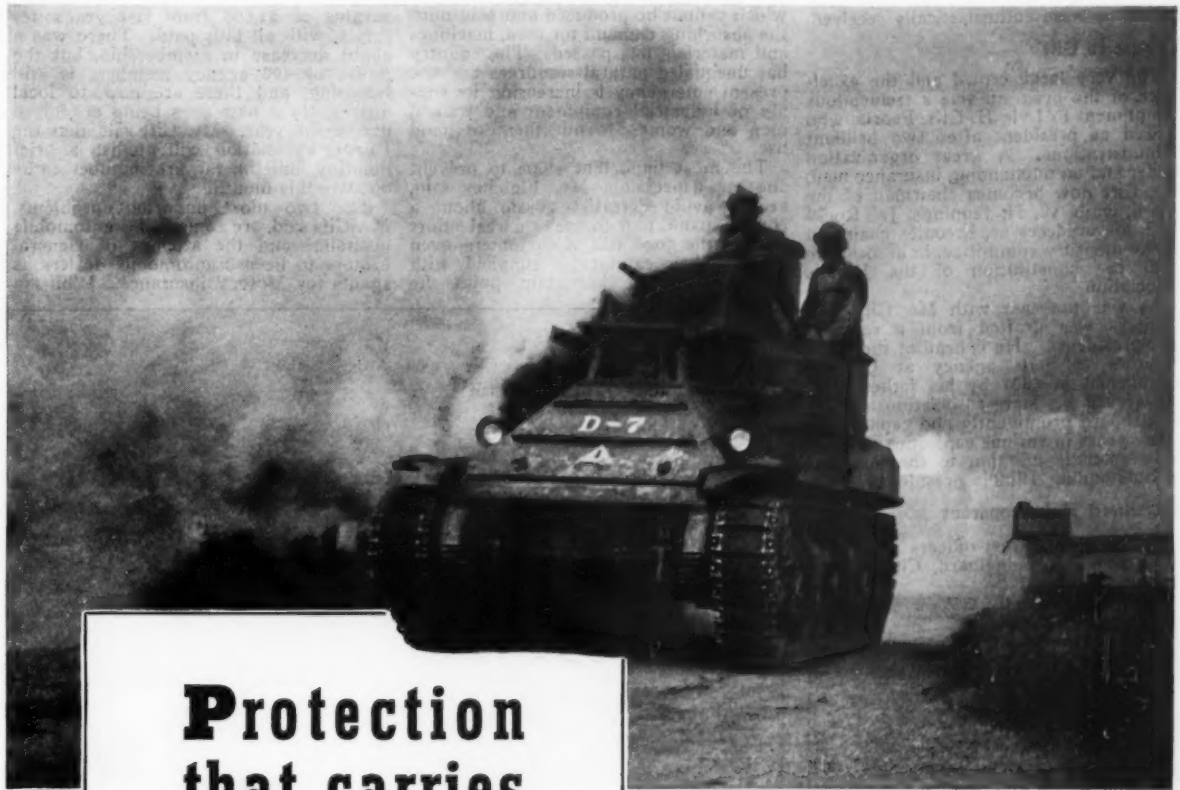
BOSTON—A New England regional conference of agents of Standard Accident from Vermont, New Hampshire, Maine, Massachusetts and Rhode Island brought 100 agents here for an educational conference on new coverages. Outstanding problems, developed by a questionnaire among the agents, were discussed by home office officials, including Treasurer L. K. Kirk, Otway

Conard, assistant secretary automobile department; H. J. Huntington, director of public relations; E. A. Warinca, assistant secretary liability department, and Rankin Martin, bonding department. C. M. Leith of Boston, resident vice-president for New England, presided.

Schedule Texas Safety Parley

DALLAS—The Texas Safety Association will hold its annual conference here April 13-14.

Statistics show that Texas' traffic fatalities increased 13 percent the first nine months of 1941.



Protection that carries WEIGHT

Combine picked men, intensively trained, with the speed and striking power of modern war machines and you have protection you can count on.

There is solid weight to F&D protection, too. During the past 51 years, the F&D has withstood the shocks of financial panics, economic crises, crime waves, wars and business depressions—has never failed to meet its obligations promptly and fully.

49 expertly staffed and conveniently located field offices make it easy for F&D representatives in all parts of the country to obtain the prompt, authoritative action so necessary in creating and retaining customer good will.

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FIDELITY and DEPOSIT
COMPANY OF MARYLAND, BALTIMORE



Winters Elected President at Ill. Agents Meeting

(CONTINUED FROM PAGE 19)

W. O. Wilson, Richmond, Va., past president National Association of Insurance Agents, discussed the future, immediately followed by the brilliant address of E. W. Sawyer, New York attorney National Bureau of Casualty & Surety Underwriters, suggesting activities and attitudes for an agent with the long range picture in mind. All three contributions were enthusiastically received.

Tribute to Gift

The very large crowd and the excellence of the program was a tremendous compliment to Lyle H. Gift, Peoria, who retired as president after two brilliant administrations. A great organization leader and an outstanding insurance man, Mr. Gift now becomes chairman of the board, while W. H. Jennings, Jr., Rockford, his predecessor, becomes chairman of the advisory committee, in accordance with the constitution of the Illinois association.

As was the case with Mr. Gift, Mr. Winters was drafted from a regional vice-presidency. He is head of the J. M. Winters & Sons agency at Quincy, established in 1881 by his father. He has served his state association and his local board prominently and capably for many years in various capacities and will be a splendid addition to the long list of outstanding Illinois presidents.

Engelhard Heir Apparent

The other major officers were re-elected. E. F. Engelhard, Chicago, remains as executive vice-president and in line to succeed Mr. Winters. Mrs. Lillian L. Herring, Chicago, one of the outstanding association secretaries of the country, and D. V. Moody, Elgin, treasurer, continue in their positions. A. S. Keys, Springfield, was re-elected national councillor.



E. F. Engelhard

Reflecting the spirit of the convention, there were no controversial matters in the resolutions. The Illinois association went on record as approving the Business Development Office, and the present policies of the National association, recommending enforcement of the countersignature agreement between the National association and the Association of Casualty & Surety Executives until it has been given a thorough trial and praising Insurance Director Paul F. Jones for his work in raising the standards of insurance. Another resolution called upon members to protect the business of employes and competitors who are called into national service.

B. D. O. Man at Conference

Before the formal opening of the convention on Thursday morning, Mr. Engelhard presided over a breakfast conference of regional vice-presidents and local board officers. Fred W. Westervelt, New York, assistant director Business Development Office, outlined the plans of his organization for the coming year.

The convention got officially under way with opening ceremonies and greetings, with only one address on the Thursday morning program. R. W. Carter, Chicago, assistant manager Aetna Fire, spoke on "Harvesting Farm Commissions."

The impact of the record breaking crowd made itself felt at the luncheon, when 220 were crowded into the room, but over 70 had to eat elsewhere, returning to hear the featured speaker,

L. J. Fletcher of the Caterpillar Tractor Company. Because of the time lost through this crowding, the presentation of members of the advisory committee by W. Herbert Stewart, Chicago, chairman of that committee, was abandoned.

Mr. Fletcher took as his theme the popular belief that a terrible depression will follow the war and emergency. He denied that this is so and said that wars and depressions have unfortunately occurred often enough so that the former is called the cause of the latter, but that there is no such relationship in fact. Not only will the country and the world have tremendous need for the products of American industry after the war, Mr. Fletcher said, but there are countless new products ready or being developed which cannot be produced and sold until the absorbing demand for men, machines and materials has passed. The country has unequalled natural resources and the present emergency is increasing its supply of industrial equipment and trained men and women to put them to good use.

The most important steps to prevent another depression, Mr. Fletcher said, are to avoid defeatist gossip about a coming panic and to make a real effort to hold the good will of customers, even though they cannot be supplied with goods. Another important point, he

brought out, is that the United States has had several years experience with social legislation and planning and should be able to avoid many past mistakes in dealing with unemployment and social problems.

GIFT'S REPORT

Prior to the Thursday afternoon talks of Messrs. Smith, Wilson and Sawyer, L. W. Garlich, St. Joseph, Mo., member of the National association executive committee, spoke of the present program of the National association and Mr. Gift presented the report of the administration. The Illinois association is in excellent shape, with an operating surplus of \$1,266 from last year's receipts, with all bills paid. There was a slight decrease in membership, but the figure of 496 agency members is still imposing, and there are now 19 local boards, three new ones being organized during the year. Mr. Gift said that the Illinois association will publish a brief monthly bulletin, the first number to be out late this month.

The two most important problems, Mr. Gift said, are compulsory automobile insurance and the attempt of General Motors to license automobile dealers as agents for Motors' insurance. While in

the past the compulsory threat has been minimized, Mr. Gift expressed the fear that the refusal of many companies to insure drivers under 25 years old may turn into a political problem, with compulsory insurance the proposed solution.

Insurance Director Jones made a splendid impression at the banquet Thursday night. This function was also jammed, with an overflow crowd in an adjoining room. Prof. W. M. McGovern of Northwestern University was the featured speaker.

FRIDAY SESSION

Even the Friday breakfast session, contrary to all precedent, attracted a comfortable crowd to hear H. S. Moser, prominent Chicago attorney, discuss the problem of youthful drivers in automobile accidents and the consequent effect on insurance.

Fire Film Makes Hit

An extremely interesting feature at the Friday morning session was the film of the 1939 Rosenbaum Grain Elevator fire. Chief Frank McAuliffe of the Chicago fire insurance patrol and Lieut. Harry Wolfe of the Chicago fire department presented a diagram of the fire and the conditions under which it was fought

All right if he keeps it locked up



The man who keeps his car tucked away in the garage can do without liability protection. But cars are bought to be used and 70% of America's car owners are still uninsured!

For your benefit, Standard advertising and promotion are placing extra emphasis this fall on automobile coverage, putting you in a stronger position than ever before to attract this business.

Back of this company and its modernized automobile policies is a record of experience since motor cars began. And back of every Standard policy is a highly trained continent-wide claims staff ready to provide prompt, equitable adjustments wherever accidents occur. Standard Service Satisfies. Climb with our sales curve!

STANDARD ACCIDENT INSURANCE COMPANY

Standard Service Satisfies . . . Since 1884

and explained the technique of the fire department. The film, partly in sound, consisted of both newsreel shots and pictures taken with an amateur 8 mm. camera by a fireman who lived near the elevator and was off duty at the time. The latter pictures, though not spectacular, in many respects gave the audience a more complete picture of the fire. Lieutenant Wolfe said that these films, which incidentally show an actual elevator explosion for the first time, were used to vindicate the Chicago department in the arguments following the fire.

After Mr. Keys gave his report, Randolph Brown, agency superintendent American Surety, and A. B. Millard, Grand Rapids, chairman of the National association's accident prevention committee, spoke. The final talk was given by Norman Collins, Chicago, of the defense savings staff of the Treasury department. Mr. Collins said that the defense bond campaign will exercise the double function of providing defense money and curbing inflationary tendencies. He urged the association to cooperate with the Treasury department's plan of getting employers to set up salary allotment schemes to stimulate regular defense bond savings by employees.

Youthful Motorist Problem Studied

(CONTINUED FROM PAGE 19)

500,000. The registered cars in 1940 in Illinois were less than 2,000,000 and in New York nearly 3,000,000. Yet in the first nine months of 1941 there were 19 more fatal accidents in Illinois than in New York.

Appeasement and treatment of this problem because of the fear of a state fund or compulsory automobile insurance is silly, Mr. Moser said. He urged agents to make their influence felt and to act as forerunners in the solution of the real problem of the youthful driver. They should devote their time not to insuring the youthful driver against liability for loss, but insuring the public against death and injury.

In 1940 some 34,500 persons were killed and 1,200,000 persons injured in motor vehicle accidents in the United States. This was a mortality rate of 30.1 per 100,000. The economic loss resulting from 1940 motor vehicle deaths and injuries exceeded \$105,000,000. Applied nationwide this means a national economic loss of more than \$1,750,000,000, he said.

In creating this situation, the youthful driver plays a prominent part. In 3.6 percent of the nation's 41,000 motor vehicle accidents, drivers under 18 were involved. In approximately 10 percent drivers between 18 and 20 were involved, and in some 16 percent drivers between 21 and 24. In other words, drivers less than 25 were involved in approximately 30 percent of all 1940 motor vehicle fatalities. Fatalities increased 9 percent

in 1940 over 1939, and drivers under 20 were involved in 25 percent of such increased number. A special study of the experience in seven states in 1940 shows that the fatal accident rate on a mileage basis for drivers under 20 was 89 percent higher than the all-age rate and the 20 to 24 rate was 24 percent higher than the all-age rate.

Chicago Surety Group to Elect

The Surety Underwriters Association of Chicago will hold its annual dinner and election next Tuesday at the Palmer House. Edmond Madden, Maryland

Casualty, vice-president of the association, is expected to be elevated to the presidency, succeeding J. S. Neal, Fidelity & Deposit. R. F. Munsell, Ocean Accident, is in charge of arrangements.

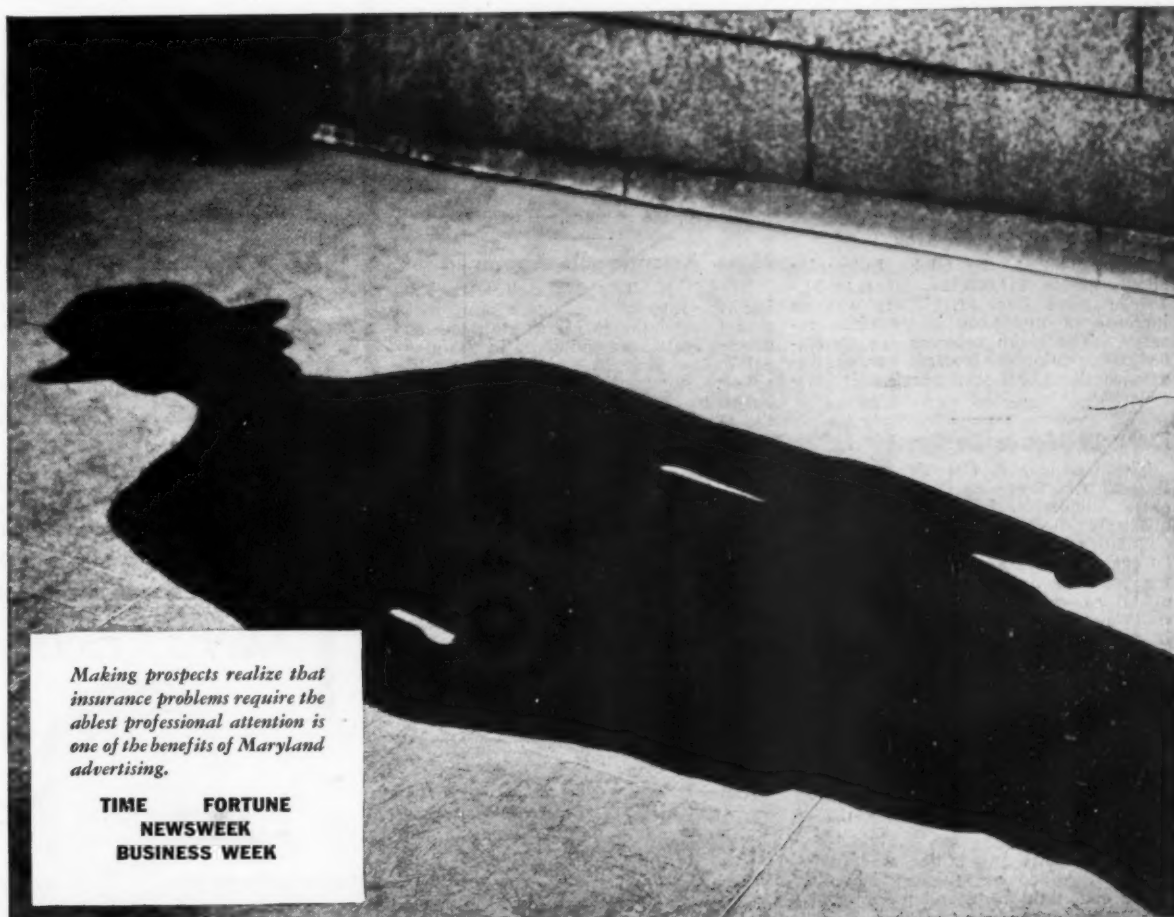
Federal Government Active

Declaring that the federal government is seeking to federalize all state relief organizations, Gov. Bricker of Ohio has called upon the workmen's compensation fund and other state organizations for a complete report of their finances. The governor in a letter to the secretaries of these groups said: "The federal gov-

ernment is moving to federalize all social security programs, the first move being on the Bureau of Unemployment Compensation, and no doubt at an early date will move to the field of workmen's compensation. I am determined to protect to the last this fund which has been accumulated for the working people of the state in case of injury."

The Association of Insurance Women of Kansas City held its monthly dinner meeting Nov. 10. John A. Moore, president of the park board, spoke and showed color pictures.

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**TIME FORTUNE
NEWSWEEK
BUSINESS WEEK**

EVERY MAN HAS A PAST

A man's inward self is a mystery...even to himself.

How then is an employer to know a man? Not by his face . . . nor by his promises. Only in a man's past is there a clue to his future.

But these are busy days for management, and assembling the complete record of every person on a growing payroll is a time-consuming distraction.

During these times—when payrolls grow rapidly—losses from dishonesty among employees are more

frequent. Time and again the result is bankruptcy.

For protection from loss at the hands of any employee, the employer turns to a fidelity bond written by a surety company like The Maryland...knowing that before the bond is furnished The Maryland investigates every employee's past record.

This bond is available in many forms. A Maryland representative will be glad to tell you which is best for you. Maryland Casualty Company, Baltimore.

WANTED

Large casualty company has available several attractive underwriting positions. Address applications to Box O-55, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

CASUALTY FIELD MAN AVAILABLE

for Wisconsin. Has excellent following with statewide experience since 1922. Age 40, married. Good references. Address O-54, The National Underwriter, 175 West Jackson Blvd., Chicago, Ill.

COMPETENT BOND MAN

Age 42, over 20 years experience as underwriter, special agent, bond superintendent and branch manager. Now in local business but prefer branch office company connection. Address O-54, The National Underwriter, 175 W. Jackson Blvd., Chicago, Illinois.

THE MARYLAND

Practically every form of Casualty Insurance and Surety Bond, for business, industry and the home, through 10,000 agents and brokers.

COMPANIES

Western Companies Gain in Assets and Premiums

Western Casualty and Western Fire had premiums of \$3,402,623 in the first nine months, compared with \$3,002,094 a year ago. Underwriting profit was \$128,961, against \$121,254. Net income was \$192,923, up from \$147,551 for the same period in 1940.

Assets of the two companies reached \$5,746,093 on Sept. 30, a gain of \$591,725.

Employers, Ala., in New Building

BIRMINGHAM—The Employers of Alabama has moved into a new \$50,000 home, a remodeled two-story building at 2112 First avenue, north, Birmingham, formerly occupied by Protective Life.

W. H. Hoover is the president of the company, which he founded 19 years ago. It is the only casualty company in Alabama and writes more workmen's compensation than any other stock company in the state.

Globe Indemnity Figures

As of Oct. 1, the Globe Indemnity shows assets \$44,075,224, increase \$1,758,000 since Dec. 31. There was an increase of \$1,414,000 in premium reserve. The claim reserves are up \$2,036,000. Voluntary reserve for contingencies is \$5,956,851, surplus is \$7,500,000.

Extra Dividends Declared

The Continental Casualty and Continental Assurance of Chicago declared extra dividends in addition to the quarterly dividends. The Continental Casualty's regular quarterly dividend is 30 cents a share and in addition an extra 30 cents is declared. The Continental Assurance regular dividend is 50 cents and an extra dividend of 50 cents is declared. This is the first time the Continental Assurance has declared an extra dividend.

Manufacturers in New Home Office

PHILADELPHIA — Manufacturers Casualty and Manufacturers Fire will open their new home office at Pennsylvania boulevard and Sixteenth street here Nov. 17.

The new quarters are designed for home office use and utilize modern facilities of office convenience, including fluorescent lighting, sound proofing and air conditioning.

Robert N. Rose, executive vice-president of Manufacturers Casualty and Manufacturers Fire, has been elected a director of both companies.

COMPENSATION

Mo. Hearing on Compensation

JEFFERSON CITY, MO.—Superintendent Scheufler will hold a public hearing here the afternoon of Nov. 14 to consider workmen's compensation rates and rating values. The hearing will be attended by representatives of the companies, industries and by agents. Some of the proposals to be discussed are combination of risks for experience rating, the experience rating plan, retrospective rating plan, and minimum premiums.

Wisconsin Rates Reduced

MILWAUKEE—Commissioner Duel has approved a revision for compensation rates in Wisconsin providing for a reduction of 7.7 percent, effective Dec. 31, proposed by the rating committee of the Wisconsin Compensation Rating & Inspection Bureau.

While Wisconsin has never approved the three industry group rate level and

never adhered to the National Council on Compensation Insurance program, the rating committee this year passed the resolution approving the council's three industry groups rate level. However, the sections on loss and expense constants, contained in one resolution and eliminated from the second, both resulting in a tie vote, were not adopted as the commissioner resolved the tie on the second resolution in the affirmative.

Conduct Minnesota O. D. Study

ST. PAUL—A comprehensive study of occupational diseases by a Minnesota legislative interim committee will get under way within the next month. Senator Milton Lightner, chairman, announced that the committee will hold its first meeting either the last week in November or the first week in December. The study was ordered by the last legislature as the result of a bill presented providing for sweeping changes in the present schedules. Findings will be submitted to the 1943 legislature.

The Minnesota compensation insurance board will conduct a hearing Nov. 18 on the 1942 rate proposals filed by the Minnesota compensation rating bureau. They call for an average reduction of 2.8 percent.

Mass. Amendments Approved

BOSTON—The Massachusetts Rating & Inspection Bureau announces that Commissioner Harrington has approved certain amendments in the manual and experience rating plan, applicable to outstanding new and renewed business. Five amendments affecting the awning, tent and canvas goods industry have been approved. The existing rating plan has been amended in regard to reporting of losses in special cases, effective Dec. 31. New rules have been set up and approved providing a divided class basis between shop and outside erection work. The phraseology of the manual relating to occasional servants in private residences, estates and farms has been amended, providing lower rates in some cases.

ASSOCIATIONS

Cal. Field Men Are Speakers

Ralph Priest, special agent U. S. Fidelity & Guaranty, Los Angeles, spoke before the Retail Druggists Association of Long Beach on druggists liability.

F. T. Homer, special agent Hartford Accident, addressed the Long Beach Women's Club on recent changes in the standard automobile insurance policy.

Both addresses were under the auspices of the Casualty & Surety Fieldmen's Association of the Pacific Southwest.

Speak to Atlanta Study Class

ATLANTA—Fidelity claims were discussed before the Atlanta Association of Claim Men's study class by E. R. Milbourne, Atlanta claim executive U. S. F. & G. Claim men should not only know the coverages and exclusions but they should be careful to take every precaution to keep all parties clear of legal complications which would have a bearing on the claim or endanger the interests of the insurer in performing under its contract.

At another class L. E. Williams, association secretary and claim executive American Mutual Liability in Atlanta spoke on the medical and surgical aspects of claims, pointing out they often have a decisive bearing on a case.

Talks on Claim Situation

NEWARK—At a dinner-meeting of the New Jersey Claim Association, W. C. Janssen, vice-president Hartford Accident, talked on the claim situation at the present time.

F. J. Wendt, Fidelity & Casualty, president of the association, presided

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and Wilson Stevens, Hartford Accident, was toastmaster. About 100 members and guests were present.

Compensation Official Speaks

MILWAUKEE — Administration of the Wisconsin workmen's compensation act was discussed by Harry Nelson, director of workmen's compensation division, Wisconsin industrial commission, Madison, at the monthly meeting of the Milwaukee Casualty Adjusters Association. As a pioneer in legislation of this kind, Wisconsin has developed many practices now adopted by other states. Companies writing compensation coverage were complimented for their promptness in payments of awards, now being made almost twice as promptly as they were 10 years ago, Mr. Nelson stated. He also pointed to the decline in contested cases.

Present Films at San Antonio

SAN ANTONIO, TEX.—The San Antonio Claims Men's Association at its meeting viewed two films, including "They Don't Burn Unless You Help Them."

C. P. McClelland, probate judge of Franklin county, addressed the Columbus Claims Club Monday evening, explaining recent changes in the probate code.

PERSONALS

Mrs. Mora McCoy and Harold P. Jackson were married at the Marble Collegiate Church, New York City. Rev. G. Y. Flint officiated. The bride, who was attended by Mrs. Linna S. Dewey, was given away by William Bender. Robert Gilkes Clarke, a fraternity brother of Mr. Jackson at Dartmouth, acted as best man. Mrs. Jackson attended Marymount-on-the-Hudson and is prominent in musical circles in New York and California. Mr. Jackson is president of the Bankers Indemnity of Newark. Following a motor trip in New England they will make their home at Rockcliffe, 10 Crestmont road, Montclair, N. J.

H. G. White, casualty manager United States Guarantee, is on the Pacific Coast. In company with Charles Seeley of Rathbone, King & Seeley, Pacific Coast general agents, he visited Portland and Seattle, following the Arizona agents' convention. He will return to the head office after attending the California agents' convention at Sacramento.

George W. Kemper of the Fireman's Fund Indemnity's accident department at the home office is back on the job. He recently underwent a gall bladder operation and during his recovery slipped and fell and fractured several ribs.

DEATHS

Clarence J. Porter of Chicago, one of the old-time casualty men of the city, died at his home last week. He started his career with Marsh & McLennan, who were managers of the casualty department of the Aetna Life of which George Tramel was superintendent. Later he became Chicago manager of the New Amsterdam Casualty and then was manager of the casualty department for Moore, Case, Lyman & Hubbard. He also was manager of Royal Indemnity. In the early days he was with D. W. Burrowes & Co. His son, Edward M. Porter, is a broker with Moore, Case, Lyman & Hubbard.

Omar W. Throgmorton, 67, of Campbell, Mallory & Throgmorton, general agents of Aetna Casualty at Little Rock, Ark., died suddenly from a cerebral attack sustained while being moved by ambulance from a hospital to his home. He did not regain consciousness after the attack. Born at Malden, Mo., Mr.

Throgmorton was in railroad service before entering the insurance business a quarter century ago.

He recently visited Washington and en route home stopped at Paris, Tenn., where he became ill. He entered a hospital upon reaching Little Rock and his condition apparently had improved when removal to his home was undertaken. A son, L. E. Throgmorton, is general agent of Aetna Life at Shreveport, La.

G. J. Farnsworth, 78, treasurer of Lumbermen's Mutual Casualty, Chicago, died while on a hunting trip near Putnam, Ill. Mr. Farnsworth was a director of the company.

H. A. Magee, 70, with the Boston office of the Aetna Casualty for 35 years, part of that time as manager of the casualty department, died at his home in Winthrop, Mass.

Memorable Advance Seen in Care of Industrial Workers

(CONTINUED FROM PAGE 25)

gram is expected to be available next January. The program is planned for the use of visiting nurse associations, which are in a position to include service to industry among their activities. The National Organization for Public Health Nursing is preparing a manual on industrial nursing which is expected to be completed by the middle of next year. Nine states have appointed industrial nursing consultants in their bureaus of industrial hygiene.

The committee on nutrition in industry of the board on food and nutrition of the National Research Council was created last spring as an advisory body to the government on matters pertaining to the nutritional status of employees in defense industries. To date the committee has concentrated on the collection and evaluation of pertinent material, attempts to stimulate a nationwide interest in the problem and the furnishing to manufacturers and others interested what advice it is in a position to give concerning the feeding of industrial workers.

Industrial Morale Studied

The subcommittee on personal relations in industry is particularly interested in industrial morale, Dr. Lanza said. This committee is setting up a program aimed at both the educational and practical aspects of the subject. It will make available to industrialists, personnel managers and industrial physicians a wealth of material which should be helpful for guidance when emotional problems arise. The subcommittee hopes to set up centers for practical health instruction in the various states, particularly those having large defense contracts.

The U. S. Public Health Service's division of industrial hygiene, through its section on laboratory investigations, is conducting researches into a large number of situations and processes relative to industrial health and exposure to occupational hazards in the defense industries. It may be said that research is keeping pace with administration in the general field of industrial health, Dr. Lanza said. It is exceedingly encouraging, he said, to note that education in industrial hygiene goes on in the technical engineering and medical sides and is being stimulated and developed. Courses in industrial hygiene for both doctors and engineers are being established under university auspices and it is expected that these will be functioning sufficiently to meet future demands. Dr. Lanza remarked on the wide range of activities covered by the foundation.

The Auto-Owners of Lansing, Mich., will hold its next sales convention in Grand Rapids, April 8-9.

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Interstate Rate Cutting Big Topic

(CONTINUED FROM PAGE 25)

Commissioners indicated that their attitude toward the interstate rating problem will be constructive. They are going to keep in mind the general objective of a cost as low as is commensurate with the safety of the companies, but there are evils in the situation that should be corrected.

There will be one outside speaker at the December convention, one who is equipped to deal with some phase of finance, and Hobbs and Harrington will select him. In addition Holmes of Montana will give a paper on "Observations on Convention Examinations."

The blanks committee will bring up for action the matter of a uniform method of computing unearned premiums on all lines except life. At present different companies compute this item in different ways with different results, and the committee wants to see uniformity worked out with the companies.

It will be proposed to the convention that a special committee of commissioners be named on fire prevention activities. The association has not had one heretofore. The suggestion was made by Percy Bugbee, National Fire Protection Association.

The fire and marine committee, of which Bowles of Virginia is chairman, has asked that a meeting be scheduled for it, and the subcommittee on real estate, Harrington, chairman, is having a session scheduled.

A. P. Sloan, Jr., chairman General Motor's Corporation, will be headline speaker at the Dec. 8 luncheon at which the commissioners will be guests. Mr. Sloan will talk on "Industry's Responsibility in National Defense." Equitable Life will be host at a luncheon for commissioners during the convention. A. N. Butler, vice-president Corroon & Reynolds, is chairman of the entertainment committee and is rounding out an excellent program for taking care of the visiting state officials.

Publish Report on Auto Accident Survey

(CONTINUED FROM PAGE 25)

These four tests involved systolic blood pressure, ability to see to the side, ability to pass on the road, and correctness of response under pressure of time.

Agencies cooperating included New York State Bureau of Motor Vehicles, Greater New York Safety Council, American Optical Company and the departments of health and physical education of New York University.

Smith Says Insurance Business Is Sound

(CONTINUED FROM PAGE 20)

vides nearly as broad coverage on buildings and contents. This is good for the public and for those engaged in the insurance business. The time may come when a company will write all the hazards now covered by both fire and casualty companies as is done in Europe. The laws in this country now require separation, but there is sufficient talk on the subject to indicate it may be necessary to change the laws.

Thinks Rate Cuts Over

The future probably will see less limited coverage policies, for it is bad business to tell an assured he is not covered under his policy. There is little excuse for a limited coverage policy when the limit applies to an insurable hazard, except that these limited coverage policies can be sold more cheaply. The agents should push full coverage.

While the average rate has gone down steadily with the decrease in burning ratio, Mr. Smith said it is much more difficult for it to go up as the burning ratio increases. He decried the tendency he has noted toward looser methods of adjusting losses which probably results in educating the public to think they can make claims that are not justified or be paid losses they have not suffered. "Now is the time to clear the decks of all unsound practices so that we can enter those years if they come, with all the reserve power that we have to avoid destructive readjustments."

There is not much probability of any further considerable reduction in rates, he said; on the other hand there is a threat of difficult times ahead because of reductions that already have taken place.

Multiple Location Quiz in California Sent Out

(CONTINUED FROM PAGE 1)

(c) Either, at the option of (1) the company? (2) the assured?

"Do you, either independently or through any organization of which you are a member, make any effort to equitably measure, to the extent credibility permits, the savings in expense on this type of business due to such factors as centralized management, lower acquisition costs and collection expenses, uniform loss prevention work, reduction in home office overhead due to large unit premiums, lower than average claims adjustment expenses, etc?"

Reporting Premiums for Taxation

"What method do you employ in allocating and reporting premiums for taxation on interstate multiple location risks? Are the premiums specified in the master policies and actually charged allocated to the various states in which properties covered are located (a) on the basis of actual premium rates charged applied to the actual insured values in each of said states? (b) in proportion to the ratio which the tariff premiums in each of said states bears to the aggregate of such tariff premiums, regardless of the actual premiums charged? (c) on the basis of premiums shown in the underlying policies?"

"Are any taxable premiums allocated to states in which property covered is located but in which no underlying policies are issued? Where minimum rates are established by law in states in which property covered is located, do you allocate to those states for taxation the premiums determined by applying such established rates to the actual values for

which the properties in such states are insured?"

"Do you ever allocate to any state for taxation a premium less than the equivalent of that determined by applying the actual rate charged to the actual values for which the properties in such state are insured? Do you ever allocate to California for taxation a premium less than the equivalent of that determined by applying the actual rate charged to the actual values for which the properties in California are insured?"

New Bond Covers Banks' Risk on Auto Finance

The first new bond to be issued in connection with the New York motor vehicle safety responsibility law, which becomes effective Jan. 1, was announced by Indemnity of North America. It is expected to be adopted as standard by other indemnity companies.

The bond protects banks and trust companies that advance funds for purchase of cars, safeguarding them against financial loss through defaults on notes in cases where car owners become involved in an accident.

The policy covers both insured and uninsured cars. It returns to the bank the balances due on defaulted outstanding notes, when the borrower, after an accident, has had his owner's and driver's licenses revoked until such time as he shall have paid any judgment against him and shows financial responsibility for liability in event of subsequent accidents.

When an accident happens there is always the probability the car owner, buying his automobile on installments, with the car impounded and his right to drive revoked by the state, may not be in position to meet any judgment against him. Consequently, he is likely to default on his notes. Or, the person getting the judgment may seize the car for damages sustained. The bank cannot touch the car. In either case, the bank is left holding the bag for the balance due on the car. The new indemnity bond is designed to give the bank full protection against any such loss.

Auto Club Can't Practice Law

ST. LOUIS—A decree enjoining the Automobile Club of Missouri from the practice of law, from furnishing or rendering legal services to its members, was signed by Circuit Judge Flynn in a suit started six years ago by a com-

mittee representing the Lawyers Association of St. Louis. Filed with the decree was a stipulation signed by the club, through its secretary, Gustav Vahlkamp, admitting the club is not entitled to practice law, directly or indirectly, in the state of Missouri.

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Reserve for Losses	4,594,168.33
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POINTERS FOR LOCAL AGENTS

Present Trends Create Still Greater Need for U. & O. Cover

Use and occupancy coverage is probably the best bargain in the insurance market today, A. H. Bonstin, special agent New York Underwriters, said at the convention of the California Association of Insurance Agents. The loss ratio has shown a material increase, yet rates continue the same. Although it is doubtful whether this situation will long continue, a buyer's market prevails and the live agent will take advantage of this condition while it lasts.

Some very strong selling points were presented by Mr. Bonstin. He cited the story of the young man who went to the owner of a department store and said:

Remarkable Offer

"I want a job as watchman. I'll work 24 hours a day, 365 days a year, and guarantee that your store will not be damaged by fire. However, if fire occurs and interrupts your business, I'll pay you all the net profits that you would have earned in the time it takes to repair the damage. I shall also pay the salaries of all your employees for that length of time and all other business expense that must necessarily continue until you are ready to resume operations. I shall give you a written contract for three years and will furnish ample evidence of my financial ability.

"If I can satisfy you that I am able to do this, would you hire me at a salary of \$9 per month?"

No one would turn down such an offer, yet any agent today can walk into the office of a prospect and lay down the same sort of terms.

It is easier to sell U&O today than ever before, and, because of existing conditions, it is also more important to do so, he said. The majority of business men and many manufacturers in California still do not have business interruption insurance largely because they have never heard of it or have not had it properly presented.

Wholesalers Less Liberal

Many small merchants have heretofore been depending to a great extent on liberal credit terms allowed by wholesalers but now that there is a ready market for most types of merchandise the wholesalers have become more independent. Credit terms are stricter and the retail merchant is required to pay a larger amount of cash in order to get merchandise for his store. Consequently, the merchant who is operating on limited capital may, if he has a serious fire, have great difficulty in replacing his stock. To him U & O is vital.

Even though the increased business during the past year has enabled some concerns to build up greater reserve funds, this does not materially improve their positions, should they have a fire, because they face a much longer period of shutdown. Even a business with a A-1 priorities rating may have to wait because of the dearth of materials and machinery, he said.

Here is a concrete example of what can happen, Mr. Bonstin said. On Feb. 14, this year, an explosion followed by fire occurred in the liquid oxygen plant of the United Electric Coal Co. at Du Quoin, Ill. The plant engaged in strip mining, and also manufactured liquid oxygen cartridges which are used as a substitute for dynamite in strip coal mining operations. The fire destroyed equipment originally manufactured in

Germany. The loss was adjusted on the basis of 4½ months of shutdown after the National Cylinder Gas Co. had contracted to restore the liquid oxygen plant and the agreed amount of indemnity was \$79,000.

On Sept. 12 the two plants were practically installed but completion of the job was seriously delayed by difficulty in obtaining copper tubing and fittings and other priority metals. Orders for these were placed in May, but neither assured nor National Cylinder Gas Co. has been able to obtain priority orders to permit delivery by the manufacturer, although assured made several trips to Washington for that purpose. Difficulty also was encountered in obtaining skilled labor to make plans and specifications, to manufacture parts and for assembling, and further delay was due to the burden of extra business on the part of the contractor.

The loss was reopened, assured elected to set Oct. 1 as the stop date, and an additional \$38,000 was paid.

The present war is one of metals. Anything made of metal is scarce and becoming rapidly scarcer. The demand for steel products continues to be in excess of what the steel manufacturers are able to supply. Machine tool men report the backlog of orders greater than ever. Executives in the metal products field say that they are hopelessly oversold. Many customers for heavy machinery are now buying for the last part of 1942.

The squeeze on non-defense manufacturers is severe so that in spite of considerable effort to spread defense work through sub-contracts, many of them face curtailment or closing down. However, Mr. Bonstin said, the market is excellent among mercantile firms and shops and factories working on defense orders. While some merchants would have difficulty in replacing stocks, many lines

including food, clothing, textiles and lumber have not yet been affected by priorities.

For concerns handling this class of goods the greatest problem after a fire would be rebuilding or securing other suitable quarters and replacing fixtures and equipment. A few years ago a merchant could find a vacant building, move in and resume business, but this condition also has changed. For several years property owners have been tearing down old vacant buildings to save taxes. Many of the best vacant buildings have been taken by expanding industries. The army and navy have taken over storage spaces in defense areas, and surplus grain and other crops have further reduced available space.

In view of these conditions, most merchants will find it impossible to secure quarters in which to reopen stores. They would be compelled to await rebuilding, which would probably take twice as long as two or three years

ago, due to shortages of materials and labor.

All these conditions point a clear way to the agent for the sale of use and occupancy, Mr. Bonstin said. More people now are financially able to buy. The period of prosperity may be short, so that the agent should get into the field promptly.

Many agents are making no effort to sell U & O for no other reason than lack of a clear understanding of rates and forms. This is understandable in view of the fact that merchants have a choice of some 452 variations of U & O forms. However, if the agent will take the trouble to inform himself on only form "G," the gross earnings form, he will be equipped to sell to such buyers as retail stores, hotels and restaurants, where in possibilities and prospects the surface has hardly been scratched. Form "G" is easy to sell, and the amount of insurance required and the rate are readily determined, he said.

Should Know Legal Liability Laws

Liability insurance owes its being to the law of negligence, and the various forms of liability policies arise from the identification and isolation of the various aspects of private, commercial and industrial activity which may cause injury to persons or property. H. P. Stellwagen, executive vice-president of Indemnity of North America, declared in a lecture in the casualty course of the Insurance Society of Philadelphia. For this reason the various liability contracts are essentially similar.

A casualty adjuster must have a knowledge of law applicable to the various problems presented in the cases assigned him, he said. Questions relating to the extent of the policyholder's liability to third persons must be determined by reference to the nature and extent of legal duty owed by the policyholder. Only careful application of the law to the facts can determine whether there has been a breach of a legal duty owed the claimant in a given case.

Automobile liability involves problems peculiar to the operation of automobiles, and social responsibilities as well. In most states, negligent conduct of a plaintiff which contributes to his injury completely bars him from recovery, the exact degree of his negligence being immaterial. However, in some jurisdictions there are statutes and doctrines which permit a plaintiff to recover notwithstanding proof of his contributory negligence. Therefore, it is necessary for claim men to have knowledge and understanding of the doctrine of the last clear chance, of comparative negligence and imputed negligence.

Study of building codes, multiple dwelling laws and other ordinances and statutes is necessary to an understanding of legal liability in the general liability field. For instance, at common law there is no duty on the part of an owner of a building to light common halls and stairways unless there is a peculiar type of construction which, unlighted, would constitute a trap. However, a duty to light may be imposed by statutes and ordinances and in some jurisdictions an owner may be liable for interruption of lighting service voluntarily assumed, where he would not be liable otherwise for a failure to light.

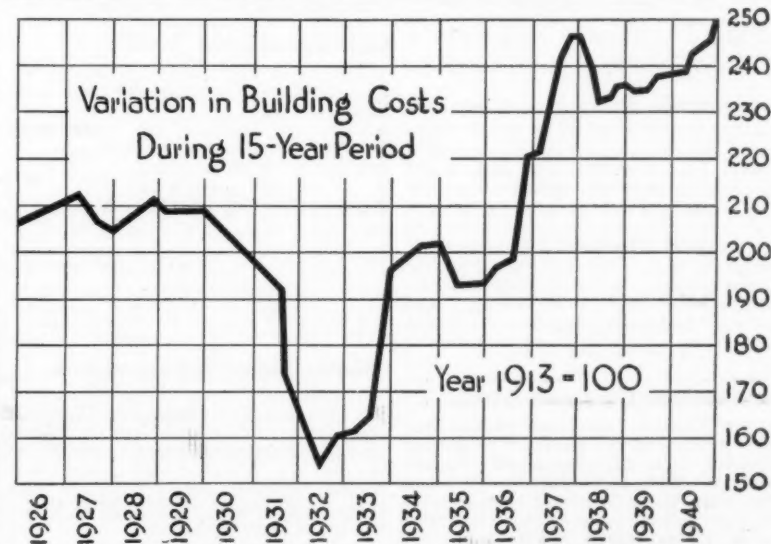
A well known common law rule is that every dog is entitled to one bite. But in some jurisdictions the statute imposes absolute liability upon the owner even for the first bite. The law also varies considerably by jurisdictions in connection with snow and ice cases.

The engineer charged with the responsibility of reducing losses cannot make intelligent recommendations unless he knows enough about legal liability to direct his attention to those conditions which will result in loss for which the policyholder is legally liable. Therefore, he must know provisions of the building code applicable to a tenement house and make sure the landlord complies with the code in regard to lighting, stair covering, cleaning and other conditions touched on in the code.

Similarly the underwriter cannot intelligently underwrite a construction job involving contractors and sub-contractors unless he perceives those things in the operation which make for liability and rates and writes his policies accordingly.

Also, the agent, broker and salaried special agent of the company must know the principles of legal liability if they are to provide clients with all forms of insurance that are needed.

Check Up on Replacement Costs



Travelers Fire has prepared a handy chart to use in showing assured the need for rechecking coverage to take into account the increase in building values. The amount of insurance in most cases was probably determined when the building was first constructed but since then replacement costs have shown a marked increase.

INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

New Indiana Exam Plan Gets Results

INDIANAPOLIS — The recently launched agency qualification program of the Indiana insurance department is accomplishing its designed purpose—discouragement of applications for agency licenses from those not qualified and who do not regard seriously the responsibilities assumed by local agents. Commissioner Viehmann reports he has had helpful cooperation from both stock and mutual agents and field men in administering and conducting examinations.

Mr. Viehmann has appointed J. W. Spurgeon of his office to carry through the details of the examination program. He is assisted by George Wolf and J. R. Holliday, who serve as examiners, going about the state to conduct examinations in the centers that have been established. Marion county, in which is located Indianapolis, is one center, in addition to which there are eight other centers north of Indianapolis and eight to the south.

Frequency of Examinations

Examinations are held in Indianapolis every Thursday and in the outside centers once every four weeks. It takes about three hours to complete an examination. Applicants are required to take a test on every major line of insurance they plan to sell. If an applicant fails to pass an examination he can take the test twice more in three months, if he fails in all three tests he is eliminated for a year from further attempt.

Only those planning to enter the business as new agents or solicitors who are planning to take on new lines are required to take the examinations. For the fire and allied lines 20 fire questions are included in a test and four questions on marine insurance. Casualty examinations include questions on automobile, compensation, liability, plate glass, accident and health, burglary insurance and fidelity and surety bonds.

No Text-books

Applicants must find their text material as the department has not as yet prepared text-books. It is recommended to applicants that they study the policies on which they are to be examined and manuals and rule books. While 70 to 75 is regarded a passing grade for solicitors and 80 to 85 for agents, Mr. Spurgeon takes into account also the mental attitude of the applicant toward the business, his serious intent or manifested indifference, in deciding whether licenses should be issued.

Three-month temporary licenses are granted to applicants for accident and health insurance, during which period they must be under complete supervision of a company representative.

The examinations were started in September. Each applicant for a license receives a letter telling him of the requirements. Of the letters thus far sent out, 25 percent are never answered or returned. Of the 75 percent that are returned, 50 percent of those indicate that their purpose in seeking a license is merely to add a few extra dollars to their incomes.

Grand Rapids Institute Course

GRAND RAPIDS, MICH. — After sponsoring successfully a study group for its members the last four years, the Grand Rapids Insurance Agents Association formed the Insurance Institute of Grand Rapids. In connection with the institute, which will offer the course

prescribed by the Insurance Institute of America, the association has established an insurance reference section in the Grand Rapids library, starting off initially with gifts of several dozen text books. This library will be extended as time goes on.

Leon McVoy, president of the association, and Henry Wilson, chairman of the educational committee, are in charge of the institute course. Instructors are James Burr, Hartford Accident; G. E. Kelly, Travelers; Nathan Neesley, Maryland Casualty, and Richard Farrer, Home of New York.

City Must Handle School Cover

FOND DU LAC, WIS.—Holding that the board of education is not a legal entity but merely an arm of the city government, City Attorney Edgarton has advised the school board here that insurance policies on schools and contents, title to which is vested in the city, should be in the name of the city and be paid for by the city, and that the council should decide the amount of insurance and the manner of placing the policies. However, the city council can authorize the school board to handle the matter, provided the policies are actually placed in the name of the city.

At a meeting of the school board a mutual company representative sought to secure a share of the school insurance now placed with stock company agents. The finance committee was authorized to investigate the matter. Its report commented on the satisfactory service and coverage extended by the local board in handling school insurance, pointed out that mutual insurance could be obtained cheaper and that even lower rates could be obtained from the state fund.

Plan Minn. Educational Work

MINNEAPOLIS—Plans for educational work in Minnesota the coming year will be outlined by Howard Williams, Mankato, at a meeting of the executive committee of the Minnesota Association of Insurance Agents here Nov. 13. Richard Thompson, Minneapolis, chairman of the program committee, will tell of plans for the mid-year meeting next spring.

A membership chairman probably will be announced by President L. D. Engberg. Minnesota's membership is now about 735.

Indianapolis Board Elects Nov. 28

INDIANAPOLIS—The annual meeting of the Indianapolis Insurance Board will be held Nov. 28. The local board has been greatly strengthened recently and is taking a definite position on several issues, one of these being the in-and-out rule. Herman C. Wolff is president. What he reported at one of the group meetings of the National association at Kansas City as having been accomplished by the Indianapolis Board was listened to with close attention.

New Kansas Oil Lease Rates

The Kansas Inspection Bureau has filed new rates on oil lease properties effective Oct. 31. Important changes include reduction of blanket coverage rate from \$1 to 80 cents; specific rates on lease houses from \$2.50 to \$2; steel tanks not exceeding 10,000 barrels capacity with steel roofs from \$1 to .80. Tornado rates are unchanged. However, the coinsurance requirement has been reduced from 100 percent to 90 percent. The schedules on gasoline plants, gas and oil pumping stations,

and air and gas line power houses also were revised.

Not Liable for Extra Taxes

LINCOLN, NEB.—District Judge Polk has dismissed a mandamus action brought by N. M. Somerville, taxpayer, who wanted the state tax commissioner to list a number of corporations, including insurance companies, as liable for franchise tax, and to direct the secretary of state to compel them to pay occupation taxes. The court held that none of the corporations listed is liable for payment of either occupation or franchise taxes.

Plan Auto Identification Tags

WICHITA, KAN.—The Wichita Association of Insurance Agents is considering adopting an identification tag for automobile radiators, to be furnished customers, showing that stock insurance has been purchased. President Dwight Smith has appointed a committee to make investigation. A large attendance was present for the meeting at which A. E. Smoll, past president, presented the suggestion.

Continue Duluth Lecture Course

DULUTH, MINN.—The lecture course which has been put on the past two winters by the Duluth Underwriters Association with considerable success will be continued the coming winter, President Gilbert Buffington announced this week. He has appointed Clyde Hoff, chairman of the educational committee. It will be open to members and their employees and will cover 10 weeks.

Moran to Speak in Detroit

DETROIT—E. B. Moran, National Association of Credit Men, Chicago, will speak at a joint dinner meeting of the Detroit Association of Insurance Agents and the Detroit Association of Credit Men, Dec. 9. W. B. Cary, president Michigan Insurance Agency, will speak briefly following Mr. Moran's address, treating insurance agent-credit men relations from the insurance agents' viewpoint.

Best to Speak in Cleveland

The Cleveland Board will hold a meeting Nov. 24 with Alfred M. Best as speaker. Ohio field men have been invited to attend.

His subject will be "Insurance in a Changing World."

Ohio Examination Results

The Ohio department examined 400 applicants for agents' and solicitors' licenses in October. Of this number 300 passed. In October the department issued 1,223 licenses, while licenses of 468 agents were cancelled.

Agents Elected as Ohio Mayors

O. Earl Greenawalt, well-known local agent, was reelected for a fourth term as mayor of East Liverpool, O., last week. Norman B. Stein, Wadsworth, O., local agent, also was successful in his mayoral race.

"Bosses Night" in Minneapolis

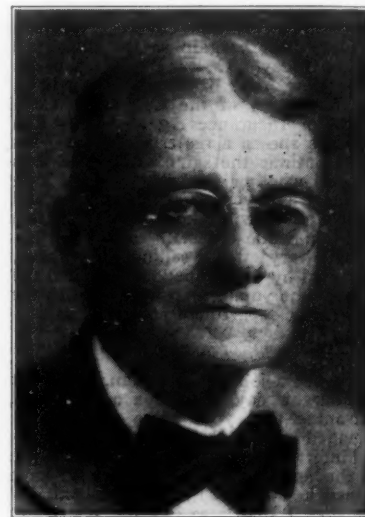
The annual "bosses night" dinner of the Minneapolis Insurance Women's Association will be held Nov. 17. Members invite their employers as guests for the evening. "Doctor Izzv Quizzzy" will conduct a quiz contest between state agents and general agents. Miss Violet Schutta is general chairman.

NEWS BRIEFS

Earl La Plant, Sturgeon Bay, Wis., local agent, has been appointed executive secretary of the Door County Chamber of Commerce. The last three

Veteran Grand Rapids Agent Is Honored

GRAND RAPIDS, MICH. — The Grand Rapids Association of Insurance Agents held a special meeting Tuesday in honor of Frank G. Row of the Grinnel-Row Agency. The occasion was his 75th birthday anniversary. Congratula-



FRANK G. ROW

tory messages were sent from all parts of Michigan and elsewhere. Speakers included old time friends and business associates. W. O. Hildebrand, secretary of the Michigan Association of Insurance Agents, was a speaker. Mr. Row was formerly Michigan state agent of the Springfield F. & M. He was special agent of the Springfield F. & M., during the time that Benjamin Vernor of Detroit was general agent for the state. In 1896, Michigan was added to the western department and Mr. Row continued as state agent, serving until 1905. His father, Samuel H. Row, was Michigan's first insurance commissioner. Later he became Michigan state agent of National Fire.

years he has been president of the chamber and was instrumental in conducting a national advertising campaign for tourist business to the "cherry country" of the Door county peninsula.

Roy E. Julian, assistant manager Ohio Inspection Bureau, addressed the Columbus Mutual Insurance Club Monday, on new fire insurance forms.

The Insurance Women of Wichita launched a "study club" at their November meeting with L. T. Stubbs, agency superintendent Central States Fire, as speaker on marine insurance. Similar meetings are to be held each month.

The Hutchinson (Kan.) Insurance Women voted seven women from Great Bend to membership at their Nov. 12 evening meeting. Patricia Spillman and Helen Booker, Western Adjustment, had charge of the program.

Basil Walters, Minneapolis newspaper man and safety leader, spoke on safety at the luncheon of the Insurance Club of Minneapolis. The program was in charge of T. G. Linnell, general agent.

Miss Marie Eresch, Hartford Fire, gave the Topeka Association of Insurance Women a brief outline of the national convention at Nashville. Moving pictures of the convention were shown. A bosses luncheon will be held Nov. 10.

The W. H. Sponseller agency, Wellington, O., has moved into a new,

ground floor location. The agency celebrated its 10th anniversary last week.

M. H. Matthes, president of the Mutual Insurance Association of Cleveland, will address the association Nov. 12 on "The ABC of Fire" and "Large Scale Fire Test."

Farm Bureau Mutual held its annual agency convention in Indianapolis Nov. 12, with about 300 agents attending.

V. A. Lawrence, now special agent in Michigan for Northwestern Mutual Fire, has been transferred to Columbus, O., as an underwriter.

The Ohio department has asked the attorney-general to institute court action to take over the Mutual Fire Co. of St. Mathews Church, Cleveland, for liquidation.

R. B. Beaver of Hemlock, Mich., has been presented an engraved gold wrist watch by the Continental in honor of 25 years of service as its agent. State Agent A. B. Paulsen made a trip to Hemlock to present the gift.

SOUTH

Schedule North Carolina Short Course for March 19-21

The North Carolina Association of Insurance Agents will hold its third short course school at the University of North Carolina at Chapel Hill on March 19-21, according to decision taken at a directors meeting. The time selected is during the regular spring holidays, when most of the regular students are away from the campus, and there will be ample accommodations for the insurance school. This year students will be given an opportunity to choose classes they prefer so that they may have more time for the study of particular points in which they are interested. Those making the highest grades will receive special prizes, as heretofore. The short course school was omitted in 1941, because the officers of the association were compelled to devote their entire time to legislative matters.

Bar Kerosene, Gasoline Lighting

NASHVILLE, TENN.—An insurance angle developed in the OPM "blackout" in seven southeastern states when merchants and theater operators attempted to use gasoline or kerosene lamps or candles as substitutes for electric lights in store windows and theater marquees.

Nashville's fire marshal has invoked a city fire prevention ordinance which permits the use of gasoline, kerosene or other flammable fuels for lights only if there is someone in the store, preventing their use after the store is closed.

Declaring that merchants using kero-

Chairman of Southern Agents Conference

Broadus Bailey of Greenville, S. C., who was chosen chairman of the Southern Agents Conference and chairman of the national councilors in southern territory, has been a member of the firm of A. G. Furman Company since 1920. He was born and reared in Nashville and served overseas in the late war, becoming first lieutenant. On his return he went to school for a while and then joined the Furman firm. He is regarded as one of the staunch southern agency leaders.



Broadus Bailey

sene or gas lamps are "inviting a disastrous fire," J. A. Weill, chief of the Knoxville bureau of fire prevention, said that gasoline lamps and candles are positively prohibited for any type of window lighting and only kerosene lamps of a type approved by Underwriters Laboratories are permissible.

The Tennessee Inspection Bureau reports that Memphis, Chattanooga and other larger Tennessee cities have similar local laws and will invoke them.

May End Self-Insurance Fight

KNOXVILLE, TENN.—A change of mayor and election of new councilmen is believed by local agents here

to have put an end to the fight for self-insurance, or no insurance, on city property. A committee appointed to consider the Griffenhagen survey of possible economies in operation of the city government adopted the minority report which proposed to "lapse all fire insurance now in effect excepting policies protecting the city against individual losses in excess of \$100,000—Knoxville High, Moses and Christenberry school buildings," substituting a comprehensive fire prevention program and also lapsing all boiler, elevator, and workmen's compensation insurance, retaining "fidelity insurance on a modified basis." The majority report, which will

also go before the city council for action, "opposed the city carrying its own fire insurance as an unwise step leading to the possibility of increased tax burdens."

Training Defense Firemen

NASHVILLE, TENN.—The state fire marshal's office, under the direction of Commissioner McCormack, who heads the national civilian defense effort in the state, is furnishing W. D. Rogers as a special instructor for volunteer fire fighting units in all cities having fire departments. He is training a class of 20 at Cleveland this week and will

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go to Chattanooga next week. Particular instruction is being given to fighting fires caused by incendiary bombs.

Wootton Resigns Educational Post

ATLANTA—Irwin Wootton, Atlanta local agent, for several years secretary-treasurer of the Atlanta and Georgia Associations of Insurance Agents, has resigned as educational director of both groups, a post to which he was appointed when the associations went on the full time manager system under Lon Sullivan. No successor has been appointed. The Georgia association will probably take action at its mid year meeting in Macon, Nov. 19, according to President Rutherford L. Ellis. During the last three years Mr. Wootton was in charge of the short course and extension schools conducted by the Georgia association and has won much praise for their success.

Review National Meeting

SAN ANTONIO, TEX.—Members of the San Antonio Insurance Exchange heard brief reports from President Woodward Altgelt, Secretary F. F. Ludolph, and Arthur G. Randol on the National Association of Insurance Agents' Kansas City convention. Mr. Ludolph called attention to the talk of W. A. Sullivan, Loose-Wiles Biscuit Co., emphasizing the thought that business men are today scrutinizing the cost of the different forms of insurance vital to the welfare of business with regard to acquisition cost as they have never done before.

Mr. Ludolph pointed to the decrease in the number of recording agents and solicitors operating under the new licensing law which indicates that there is a trend toward better qualified local agents.

Mr. Randol referred to the company criticism of the Texas rating system. He pictured the advantages of being able to present a business man full information on lines of coverage essential to his business.

Yancey Controls Manning Office

Foster Yancey has purchased the interest of Marvin Singleton in the T. A. Manning & Sons general agency in Dallas. The management is now under the full control of Mr. Yancey. Mr.

Texas Department Man Loses Car on Way to Rally

On his way to the regional sales educational meeting of the Texas Association of Insurance Agents in Sherman, Vestal Lemmon, director and actuary automobile department of the Texas board of insurance commissioners, drove to Dallas and turned his car over to a hotel doorman and went to his room to prepare comparisons of the new standard automobile policy, now available in Texas and mandatory after Jan. 1, with the old standard policy.

Next morning when he called for his car, it was not in the garage and no record of it ever having been there could be found in spite of Mr. Lemmon's claim check which had been given him. Finally he borrowed a car and drove to Sherman where he arrived late so he spoke at the afternoon session instead of his scheduled time on the morning session. "You have heard about the shoemaker's children being without shoes," said Mr. Lemmon in making his apology to the insurance crowd, "and as director and actuary of your state automobile department I am in the same comparative fix." Mr. Lemmon's car was stolen either from the front of the hotel or from the garage.

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Singleton is retiring from the insurance business.

Zone 3 Commissioners Meet

LOUISVILLE—Insurance Director Goodpaster of Kentucky is acting as host to insurance commissioners of Zone 3 of the National Association of Insurance Commissioners here Wednesday and Thursday.

Attending were Scheufler of Missouri; Julian of Alabama; Larson of Florida, with Assistant Commissioner Davis; Parker of Georgia; Williams of Mississippi; Berry of Louisiana, and McCormack of Tennessee, who is chairman of Zone 3.

Broadcast Safety Program

ATLANTA—The safety and education campaign of the Atlanta and Georgia Associations of Insurance Agents has been allotted a 15-minute period each week on Friday starting at 1:30 p. m. over radio station WSB, Atlanta. The Colquitt County Board of Underwriters at Moultrie has offered a prize to the public school pupil there for the best outline of the program. Lon Sullivan, manager of the associations, reports that at some places radio receivers have been installed in schoolrooms to bring in the program so that

children may be impressed with the need for more care in reducing highway and street accidents and fatalities.

Two New Georgia Boards

ATLANTA—Lon Sullivan, manager Georgia Association of Insurance Agents, announces that two new local boards have been formed in DeKalb county and at Valdosta. The DeKalb officers are: President, F. H. Robarts; vice-president, W. C. McLain; secretary-treasurer, Vivian Beasley. The Valdosta Board elected the following: President, Harry W. Peeples; vice-president, Francis L. Wilcox, and secretary-treasurer, Isaiah H. Tillman.

Larson Reports Good Cooperation

TALLAHASSEE, FLA. — Commissioner Larson is receiving statewide encouragement from municipalities in his fire prevention campaign as fire marshal.

Many cities have adopted the essential features of an ordinance submitted by him to better control hazards and more effectively enforce laws against arson.

Aid in Dallas Bond Drive

DALLAS—Fire, casualty and life agents and company men here are taking the lead in boosting the sale of defense bonds and stamps and have organized to interview every employer with more than 100 employees to inaugurate a salary allotment plan for the purchase of the bonds and stamps.

Little Rock Wants Rating Area

LITTLE ROCK, ARK.—The city of Little Rock, which in 1940 was placed in the fourth class by the National Board, may ask the legislature to establish it as a separate area for fire rate making purposes and base its rates on losses therein rather than on fire losses

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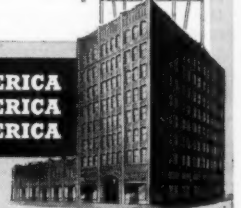


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for the entire state, Mayor Moyer has indicated.

The 1940 action in advancing the city's rank from fifth to fourth class brought a premium reduction estimated at \$40,000, and followed an expansion of fire department personnel. In the next few months, the city will spend \$25,000 for fire station construction and remodeling.

Library Association to Meet

ATLANTA—The annual dinner meeting of the Insurance Library Association of Atlanta will be held Dec. 3. John M. Harrison, president, will preside. Lloyd T. Wheeler, manager Southeastern Underwriters Association, will speak. Successful students in the classes conducted by the association will receive diplomas and special prizes will be awarded for high marks.

Propose Richmond Self-Insurance

RICHMOND—The finance committee of the city council has recommended that at the expiration of current policies the city go on a self-insuring basis, so far as fire coverage on its properties is concerned. It is estimated that premiums now cost the city about \$13,000 annually. The proposal is to set up a fire insurance sinking fund and to place in the fund each year a sum equal to annual premiums now paid until the fund reaches \$1,000,000. Afterward, that sum would not be increased except by earnings from its investment.

NEWS BRIEFS

Crawford & Co., who have adjusting offices in Columbus, Atlanta and Al-

bany, Ga., have opened an office in Augusta. J. H. Crawford, Jr., will be at the Augusta office.

Mrs. F. Wiley Ball of Oklahoma City, who was seriously injured in an automobile accident, has improved sufficiently to be brought to an Oklahoma City hospital from Denison, Tex., where she had been confined for several weeks. Mr. Ball, who was less seriously injured, has returned to his office.

The Williams Agency, Hamilton, Tex., is observing its 25th anniversary as a representative of the Great American Fire. M. G. Jarreau, Dallas, state agent, and Fred A. Crawford, San Antonio, special agent, presented a silver pitcher from the company to Felix C. Williams, owner of the agency.

James W. Elliott, local agent at Stratford, Tex., was honored by Great American on his 25th anniversary with the company. W. E. Beeson, northwest Texas special agent of Great American, presented Mr. Elliott a sterling silver pitcher.

The King & Reese agency, Rome, Ga., was honored on its 25th year of representing National Fire, by Hugh T. Powell, Atlanta general agent. The agency represents six leading fire companies, the last company to enter the agency being National Fire.

L. A. McGeachy has been named public relations director of the Tampa Merchants Association. He has been long an insurance agent and is a past president of the Tampa Insurance Exchange. He will devote himself largely to insurance relations of the merchants.

ment and then was elected assistant secretary.

Mr. Loustau has been located at Fresno as special agent for two years. He has a solid background in engineering, previously having spent 11 years in that capacity with Marsh & McLennan in San Francisco. In 1938 he resigned to join the engineering department of Pacific National, and a year later was transferred to the Fresno office.

Two Seattle Evening Meetings

SEATTLE—The King County Insurance Association will hold an evening meeting Nov. 13. President A. W. White and Vice-president W. H. Harmer will report on the Kansas City convention of the National Association of Insurance Agents.

Another evening meeting will be held Nov. 25, featuring an educational program on U. & O. to be presented by a panel of three field men and two agents.

Brokers and Agents Meet

SACRAMENTO—One of the extra-curricular features of convention of the California Association of Insurance Agents here was a joint luncheon meeting of officers of the association with representatives of the Insurance Brokers Exchange and the Society of Insurance Brokers, both of San Francisco.

Those who attended were: From the



"OL' MAN NOAH KNEW A THING OR TWO"

Noah—careful, thorough—not only built his ark, but calked it with "pitch", a form of petroleum found along the Dead Sea. The Greeks destroyed a Scythian fleet by setting afire oil poured on the ocean. Herodotus (about 450 B.C.) records that hot bitumen instead of mortar was used in Babylon's Great Wall, while the luxurious apartments below her fabulous Hanging Gardens were waterproofed with a bitumen mixture.

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PACIFIC COAST AND MOUNTAIN

Pacific Board Has Semi-Annual Meet

With only five votes absent out of 104, the semi-annual meeting of the Pacific Board at Del Monte, Cal., was one of the largest meetings it has ever held. While there were no "fireworks," with everything running smoothly and "under control," a number of interesting reports were presented. Joy Lichtenstein, Hartford, chairman, public relations committee, told of the outstanding results being accomplished along these lines, after which Herbert Semmelmeier, manager of public relations, spoke briefly, telling of his educational work with agents and urging further support by company managers.

C. D. Lasher, Home, presided. Report of the executive committee and its subcommittee on rules, rates and schedules was presented by John P. Breeden, Corroon & Reynolds, chairman.

Loss Payable Endorsement

Mr. Lichtenstein also presented his report as chairman of the special committee on lenders loss payable endorsement. It was felt that the form now in use, which was developed in agreement with the California Bankers Association about a year ago, should be continued.

Harold Mills, manager Aetna Fire, reported for the supervisory committee. A resolution of condolence on the recent death of Claude Bonner, manager of the Aetna Life companies, was adopted. Joseph Loftus, associated with Mr. Bonner as manager of the fire end of the business, served as chairman of the committee preparing the resolution.

S. L. Carpenter, Jr., general manager of the board, reported on the situation in Utah and discussed the new binder rule adopted as a part of the general "overhauling" of the rules at the annual meeting last spring. Purpose of the discussion was to clarify a number of questions which appeared to have arisen over the rule, effective Oct. 1, which provides that all binders must be reported within 10 days after issue.

Three minor amendments to the general rules were adopted and are now "on

the street" for signature. These were merely changes in verbiage in certain of the rules adopted last spring and are for the purpose of clarification.

Charles Barsotti, manager Fire Association, chairman of the general agents committee, reported for his group.

Members voted to adopt a new emblem to be used on all policies and possibly letterheads and other literature of company members. Cuts and stickers are to be prepared for use on newly printed policies and other material.

Pacific National Men Are Advanced

Pacific National Fire has advanced Roy O. Elmore, manager southern California department, Los Angeles, to Pacific Coast manager, and it soon will transfer his headquarters to the home office in San Francisco.

Laurent A. Loustau, special agent in the San Joaquin valley and South Coast district, was promoted to manager to fill Mr. Elmore's old post.

Mr. Elmore is well known in southern California and has spent 17 years in the insurance business. He started with the Pacific Board in Los Angeles after graduation from California Institute of Technology in 1924, and soon entered the production end. In his seven years with Pacific National, he was advanced to manager southern California depart-

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association, Harry Perk, Jr., retiring president; Harold I. Callis, national councillor; H. H. Hendren, president; C. W. Carpenter, vice-president; Frank Colridge, executive secretary, and W. B. Glassick, president Los Angeles Insurance Exchange. From the Society of Insurance Brokers were: John Levison, chairman; Fred H. Hohwiesner, president National Association of Insurance Brokers, Jack Okell and R. A. Wondolleck; and from the Brokers Exchange were: R. D. Connolly, president; C. E. Gibbs, secretary; E. P. Jones, George Jones, Jr., and Milton Fox.

Caminetti Speaks Over Radio

SAN FRANCISCO — Operations of the insurance department and the importance of the protection of insurance to the general public were explained in a radio address by Commissioner Caminetti over station KSN. "Insurance is designed to meet unexpected situations and as a shield or buffer against such unpredictable misfortune it is now universally employed. It is apparent that insurance is affected with a very important public interest which creates on the part of the state an equally important obligation to make certain that the rights of all policyholders as well as those of the public as a whole are adequately safeguarded and fully protected," he declared.

Commissioner Caminetti claimed that the California department is conducted at an operating cost of less than half the national average of the administrative costs of other state insurance departments.

Brokers' Licenses Revoked

SAN FRANCISCO — Commissioner Caminetti has revoked the right of Watrous & Co. to apply for renewal of license to operate as a surplus line broker as result of a hearing here. A series of transactions between the company and the defunct International Casualty Underwriters Company of Nevada was the basis of the hearing, together with charges that the firm did not keep its insurance funds in a fiduciary capacity, proper records, etc. The commissioner suspended indefinitely the broker's license of J. W. Watrous, head of the firm, until he has repaid some \$2,400 to the receiver of the company. The broker's license of W. P. Watrous, son of J. W., was suspended for ten days.

Poll Agents on Discussion Topics

SEATTLE—Washington agents this week received ballots and a request to indicate their preference for casualty subjects to be discussed at a state-wide series of educational meetings which will be sponsored early in 1942 by the Casualty Insurance Association of Washington and the Washington Association of Insurance Agents.

Meetings will be held at: Bellingham, Everett, Port Angeles, Bremerton, Seattle, Tacoma, Olympia, Aberdeen, Chehalis, Longview, Vancouver, Ellensburg, Yakima, Walla Walla and Spokane. Dates and other details will be announced in December.

Surety Talk to Blanket Club

PORTLAND, ORE.—The Portland Blanket Club at its second meeting since organization heard a discussion on fidelity and surety bonds by Fred Reed, past president of the Surety Association of Portland, and member of the Harvey Wells-Reed Agency. Mr. Reed covered the more commonly written bonds, giving a brief outline of the salient features of each and particularly the writability of the various types. Ken Daugherty, Hampton Allen and Walter Rossow were named by President Fred Greer to deliver short talks at the meeting Nov. 17 on current events in the insurance business.

Plan New Seattle Fire Station

SEATTLE—Bids will be asked for soon on the newly-approved fire station

to be constructed here on Harbor Island. The station will be situated in the heart of Seattle's defense industry district, enabling equipment to reach any of the shipbuilding and defense industries within a few minutes. It will also be in close proximity to the huge Boeing airplane factory. There will also be a fire boat moorage at the new station.

Seattle also plans to train a small but thoroughly-equipped group of volunteer fire-fighters to cope with the possibility of incendiary bombing.

Joy, Hedreen at Bellingham

Anderson S. Joy, Seattle manager Travelers Fire, spoke on the personal property floater and Guy N. Hedreen, special agent for the Fire Association, on use and occupancy coverages at a special educational meeting of the Bellingham (Wash.) Association of Insurance Agents. There were 36 local agents and employees in attendance at the dinner gathering.

Masters Is Forum Speaker

R. B. Masters, superintendent of underwriting in the Pacific department office of Security of New Haven, discussed business interruption insurance under present day conditions at the Nov. 12 meeting of the Fire Underwriters Forum of San Francisco.

L. G. Greene Spokane Speaker

Leon G. Greene, vice-president of the Spokane Insurance Association, spoke at its meeting on conditions in the east. He had just returned from a month's visit to New York and Washington, D. C.

NEWS BRIEFS

L. N. Degginger, former local agent, has joined the West Coast Credit Corporation, Seattle, as manager of its insurance department.

The C. E. King agency, Kennewick, Wash., has been purchased by Gascoigne & Fyfe. Mr. King is retiring due to ill health.

EAST

Watson and Maginnis at Safety Council Meet

JERSEY CITY—Leon A. Watson, expert of the New Jersey Schedule Rating office and R. E. Maginnis, special representative of American District Telegraph, were the speakers at this week's session in the lecture series conducted by the Jersey City-Bayonne section of the Hudson County Safety Council for watchmen, guards and private police.

Mr. Watson talked on the automatic extinguishing of fires and Mr. Maginnis discussed modern types of fire detection and prevention, which he illustrated with a series of demonstrations showing how various devices operate. He gave particular attention to the sabotage angle.

N. J. Names Committees

Chairmen of the committees for the New Jersey Association of Insurance Agents have been appointed by President Alfred Christie. They are:

Accident prevention, W. F. Turner, Jersey City; administration fund trustees, C. S. Stults, A. V. Livingston and W. G. Hurtzig; automobile, Mr. Livingston, Englewood; Bergen county plan, Mr. Livingston; branch office and acquisition costs, D. S. Schenck, Jersey City; Business Development Office, E. M. Schmults, Ridgewood; compensation, W. T. Ashby, Newark.

Also, constitution and by-laws, T. S. Brown, Perth Amboy; dental, H. L. Brooks, Newark; education, H. D. Holmes, Summit; finance, Mr. Livingston; fire prevention, W. B. Salisbury, New Brunswick; forms and policies, Leonard Fuchs, Newark.

Also, grievance, A. D. Reeve, Newark; legislative, H. L. Godshall, Atlan-

tic City; local boards, Herbert A. Faunce for south Jersey, H. M. Farrow for central Jersey and C. E. Meek, Jr., for north Jersey; membership, C. S. Burke, Jersey City; publicity, F. F. O'Brien, Passaic; qualification and resident agent laws, H. P. Murphy, Ridgefield Park, and rural agents, J. P. Exton, Clinton.

The B. D. Miller & Co. agency, Elizabeth, N. J., was presented a 25-year certificate by Alliance.

MARINE

Prepare for Inland Marine Boom in East

NEW YORK—The marine departments are getting prepared these days to take the fullest advantage of the opportunity to write the personal property floater in the various eastern states when and if it becomes permissible. Already the personal property floater has been approved for sale in Rhode Island by the commissioner; it seems quite likely that approval will be given in Maryland and there are favorable indications that it will be approved in Connecticut. At the meeting last week of the Connecticut Association of Insurance Agents a resolution was adopted asking the commissioner to approve the form. This was the first time that a formal request has been made of the Connecticut commissioner. Judging by statements made by Commissioner Blackall in addressing the annual meeting of the Insurance Institute of America he will probably give approval.

Some of the companies contemplate transferring marine special agents from the western states in which the personal property floater has been sold for the past several years, to eastern jurisdiction to coach the agents on the various intricacies of the line and to engage in sales stimulation work. Introduction of the personal property floater in the eastern states would mean a tremendous boom for the inland marine departments. Of course, to a considerable extent it means a corresponding loss to the fire insurance departments and to the burglary insurers, but it does produce substantially extra premiums because the inland marine insurers make a real effort to get insurance to value and, of course, the total premiums for the inland marine policy exceeds the combined burglary and fire insurance premiums. Approval of the form in Maryland would not only create sales opportunities in that state, but it would also create quite a market in the District of Columbia. About a year ago the form was approved in the District but sales were retarded somewhat because many residents of the District also have homes in Maryland and the personal property floater excludes coverage in those states in which the writing of the form is prohibited. If Maryland gives approval, those who have values in both Maryland and the District of Columbia will be good prospects.

British Follow U. S. Lead on War Risk Changes

NEW YORK—British underwriters have followed the Nov. 1 action of American cargo underwriters in making a 25 percent reduction in the war risk rate on westbound cargoes, from 10 percent to 7½. Newspaper accounts indicate that the British underwriters also have made the same reduction on the more hazardous eastward voyages but this has not been confirmed by direct word from the British Institute of Marine Underwriters. American rates are still 10 percent eastbound. Ameri-

can underwriters will watch closely the effects of the repeal of the neutrality act, if it occurs, but expect to take no action on rates unless actual results indicate that the increased risk warrant it.

No insurance firms appear to have been included in the latest revision of the U. S. blacklist of Latin-American firms, which contains 519 additions and 59 deletions. While some of the firms on the new list have insurance agency contracts, these contracts are merely incidental to their main business. It is customary in many countries for large shippers to obtain an insurance agency and receive the commission on their coverage.

MOTOR

Gas Rationing in Canada May Affect Auto Cover

TORONTO—Canada's announced decision to issue ration cards for gasoline is expected to have a direct bearing on automobile insurance. Drivers will be issued books containing 52 ration cards for one year. It is anticipated that each driver will be limited to 20 gallons per month.

Company viewpoints expressed here are quite emphatic that issuance of ration cards will curtail automobile insurance business. It is considered that such restrictions will make driving prohibitive in many instances.

One company has gone so far as to urge its representatives to develop other insurance lines to make up for a decline in income from automobile insurance.

Service Fire Hearing Continued

The Service Fire hearing, involving insurance of financed automobiles, has been continued by the Ohio department to Nov. 24.

Lanyon to Canadian General

William G. Lanyon, formerly with General of Seattle in Vancouver, has resigned to become assistant manager there for the Canadian General and Toronto General group.

Craddock to Vancouver

VANCOUVER, B. C.—George L. Craddock has arrived from Regina, Sask., to become branch manager in British Columbia of the North America companies, succeeding Cecil O. West, who has been appointed assistant manager of the Pacific Coast department of San Francisco.

Wishard Indiana State Agent

A. H. Wishard has been appointed Indiana state agent of Northern of London and London & Scottish. He has been special agent in the Chicago metropolitan department of the companies for five years. He succeeds the late A. M. O'Connell. His headquarters will be in the Indiana Trust building, Indianapolis.



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